European Commission

POLICY ATLAS OF

Sustainable Urban Development for Small Urban Areas

Joint Research Centre

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Contents

Abstract

Small urban areas (SUAs) form the backbone of the polycentric urban structure of the EU. As such, their role in ensuring a balanced territorial development has been widely recognised at EU level. The diversity of SUAs – in terms of their settlement structures, functional roles and development trends – make it challenging to develop overarching recipes for SUA development pathways. The 'Policy Atlas of Sustainable Urban Development for Small Urban Areas' serves as a valuable tool for policy makers, practitioners and academics seeking to gain insight into the unique characteristics of SUAs in the EU. By offering evidence-based insights and practical recommendations, the atlas provides a compass for navigating the policy challenges of sustainable urban development in SUAs and facilitates the promotion of strategies tailored to their needs.

Acknowledgments

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- **Carolina Perpiña Castillo,** carried out data analysis and contributed to chapters 2, 4 and 5.
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Executive summary

Policy context

Small Urban Areas (SUAs) have growingly **gained wider recognition** in the urban and territorial discourse at the European Union (EU) level. In particular, under the trio presidency of Italy, Latvia and Luxemburg of the Council of the EU, the **Riga Declaration** (2015) recognised their role in ensuring a balanced territorial development, and it envisioned the provision of specific measures to support their development in the form of integrated and place-based mechanisms.

In this regard, the **EU cohesion policy** represents the main policy framework that supports integrated interventions on SUAs, in particular through the earmarking of 8 % of the total ERDF national allocations to **Sustainable Urban Development** (SUD) **strategies**.

The 'Policy Atlas of Sustainable Urban Development for Small Urban Areas' serves as a valuable tool for **policy makers, practitioners and academics** seeking to gain insights into the unique characteristics of SUAs in the EU. By offering evidence-based findings and practical recommendations, the atlas provides **a compass for navigating the policy challenges of sustainable urban development in SUAs** and facilitates the promotion of strategies tailored to their needs.

Main findings

SUAs form the **backbone of the polycentric urban structure of the EU.** They are highly diverse in geographic, demographic, socio-economic and governance profiles and serve various functions within their respective wider territorial context.

In the past decades, SUAs have been strongly affected by macro trends like globalization and agglomeration economies, leading many to fall into an underdevelopment trap. This has led to the rise of structural challenges linked to the **shrinkage phenomenon,** namely: population decline, young out-migration, ageing, rising unemployment, a decrease of purchasing power, a shortfall in public revenues and a negative residential mobility balance in comparison to larger cities.

Although with some differences depending on the territorial context, between 2011-2018, more than **half of the EU Member States saw their SUA population shrink,** with the impact being particularly relevant in eastern and southern Member States, as well as in the inner part of countries.

SUAs tend also to have **lower access to educational and health services** compared to bigger cities. On average, residents living in a town have to spend more time to access the closest primary school. Clear disadvantaged situations are reported in Portugal, Bulgaria, Italy, Greece and Ireland. On the other hand, in cases such as Croatia, France and Spain, travel time to access health care services for SUAs is almost three times higher than cities. Additionally, they strongly suffer from limited administrative and institutional capacity, lack of financial resources and the consequent heavy reliance on national funds.

The **green and digital transitions** represent both a challenge and an opportunity for SUAs. On the one hand, SUAs present **important environmental issues** such as high forest fire risk, low level of diversity of the natural ecosystem (mainly linked to the process of suburbanisation and agricultural expansion) as well as a **lower broadband coverage and speed** and a low level of digital literacy and skills. On the other hand, if managed well, these transitions may represent a great opportunity for SUAs to rethink their role and functions, **reducing their territorial marginality** and promoting a new economic model that delivers a more just, greener and sustainable future.

The cohesion policy and Sustainable Urban Development (SUD) strategies are key tools that can be used by SUAs to tackle their challenges, while rethinking their development in an integrated way. The relevance of this instrument is demonstrated by the fact that in the past programming period (2014-2020), **half (49.7 %) of the nearly 1 000 SUD strategies** implemented across the EU **targeted a SUA** (or more than one). The most recurrent themes addressed were mobility and social inclusion, followed by energy, culture and heritage, low carbon, disadvantaged neighbourhoods and air quality. A comparison between strategies promoted by SUAs with those promoted by larger cities showed that the former were less ambitious in terms of integrating different thematic objectives and sources of funding. This can be due to a lower capacity of local administrations of SUAs to deal with EU funding mechanisms, suggesting the need for **tailored support.**

Key conclusions

The diversity of SUAs in terms of settlement structure, functional roles and the degree of impact resulting from their decline make it challenging to develop overarching recipes for SUA development pathways, even among those with similar territorial contexts.

In an effort to offer inspiration to policy makers, this report identifies five different policies approaches that may be of help to key stakeholders to turn the tide of decline in SUAs.

1. **Re-activating places for people and community.** This involves improving the built environment and the activation of these spaces for the benefit of local residents and the community.
2. **Re-discovering uniqueness.** This encompasses all those actions characterised by the willingness of SUAs to capitalise on endogenous local assets linked to the specificity of their territories.
3. **Re-connecting with nature for a sustainable future.** This consists of a variety of initiatives that utilise nature as the key pillar for sustainable local development.
4. **Re-inventing smart public services.** This involves improving the access and functionality of public services to promote individual and community well-being in SUAs.
5. **Re-imaging governance and partnerships.** This includes transforming the way SUAs build multi-stakeholder, multi-level and cross-departmental structures to better address local challenges.

The cases of Cuneo (Italy); Fundão (Portugal); Kilkenny (Ireland); Lebach (Germany); Lucena (Spain); Salgótarján (Hungary); Ventspils (Latvia) show how it is possible to adopt a different **combination of such policy approaches** in the framework of a SUD strategy. The cases also show how policy-makers tackled the **main policy challenges** encountered in the process of designing and implementing SUD strategies. **Recommendations** emerging from the case studies can serve as inspiration for other SUAs with similar needs and constraints.

Related JRC work

In 2020, the Joint Research Centre of the European Commission (JRC) published the 'Handbook of Sustainable Urban Development Strategies' to help national, regional and local authorities across the EU to deliver integrated urban strategies in the context of EU cohesion policy.

The 'Policy Atlas of Sustainable Urban Development for Small Urban Areas' builds on this work, providing a closer look to a specific typology of settlement, that of Small Urban Areas.

Together with the 'Handbook of Territorial and Local Development Strategies' published in 2022, the three science-for-policy reports cover the spectrum of development strategies in all types of territories.

Introduction

Policy context and background

Europe has a peculiar urban structure compared to other parts of the world, as it is characterised by **a large number of small cities.** In particular, there are around 14 000 small urban areas (SUAs) across the EU that host 43 % of the EU's population (CoR, 2022).

SUAs are not only significant in quantity, but **they also hold strategic importance** as they form the backbone of the polycentric urban structure of the EU and play a crucial role in fostering harmonious development across its territory. When situated near larger urban centres, SUAs can act as satellites, offering affordable housing and a more relaxed pace of life. In rural areas, they serve as hubs for service provision and economic and recreational activities. Therefore, they play a **vital role in strengthening urban-rural linkages** and promoting balanced relationships and mutual exchange between these two realms.

While SUAs have not been a focal point in urban and territorial discourses at the EU level, they have been acknowledged within more comprehensive frameworks and have growingly gained wider recognition.

In particular, the **Riga Declaration** (2015) **explicitly addressed the question of SUAs,** acknowledging the potentials for development and quality of life that they hold and highlighting the specific challenges they face. In this respect, the declaration envisages the provision of measures to support their development in the form of integrated and place-based instruments.

The cohesion policy is the main EU policy framework that specifically **provides for measures dedicated to urban development.** In particular, the 2021-2027 programming period introduced **Policy Objective 5** 'Europe closer to citizens by fostering the sustainable and integrated development of all types of territories'. This cross-cutting policy objective promotes a place-based integrated approach to address diverse and interlinked local needs and challenges of urban and non-urban areas. Within this framework, Member States are requested to invest at least 8% of the European Regional and Development Fund to promote **SUD strategies.**

Based on lessons learned during the 2014-2020 programming period, **SUAs require a tailored approach when implementing SUD strategies.** SUAs are frequently affected by negative socio-economic trends and environmental risks, while also lacking administrative and strategic capacity to address development challenges. Nevertheless, they have shown evidence of being well-suited and resilient in confronting certain future challenges.

Aim of the report

This report aims at helping policy-makers, practitioners and academics to explore and better understand the unique characteristics of SUAs in the EU. By offering evidence-based insights and practical recommendations, the report aims at providing guidance for navigating the policy challenges of sustainable urban development in SUAs and facilitating the promotion of strategies tailored to their needs.

In particular, the report has the following specific objectives:

1. To provide an **operational definition of SUAs** that can be adopted at EU level, notwithstanding the differences existing across countries.
2. To identify the **main trends concerning SUAs** and, linked to this, the specific development challenges they are facing.

3. To uncover the **main policy approaches** put forward by SUAs in facing the above-identified challenges, promoting sustainable development and increasing the quality of life for their inhabitants.

4. To analyse **how SUAs implemented SUD strategies** in the 2014-2020 programming period, providing **inspirational examples** from which to draw recommendations for the current programming period.

Structure and methodology

The report is divided into three parts.

PART I provides **a portrait of SUAs in the EU**. It first analyses **existing definitions of SUAs** and their variability across countries. It then identifies an operational definition, which is used in the report, in order to carry on data analysis at the EU level. SUAs are defined as 'continuous urban clusters with a population of 5 000 to 50 000 inhabitants and a density above 300 inhabitants/km²'; this corresponds to towns (dense and semi-dense) according to the Degree of Urbanisation Level 2 (DEGURBA). For this reason, the terms SUA and town are used interchangeably throughout the report.

This first section of the report also describes the **key trends** found in SUAs, focusing in particular on the **downward spiral of shrinkage** and on related socio-economic and spatial challenges. SUAs are then positioned within the framework of the **green and digital transitions,** looking at how these are challenging the SUA development system and how they could benefit the endogenous assets of SUAs. The description of trends affecting SUAs is enriched with **insights from some specific EU Member States.**

The **methodology** of this section entails a mix of secondary and primary research. First, it is based on a literature review of academic publications and policy reports dealing with the question of SUAs in Europe. This has been enriched by **an analysis of settlements categorised by DEGURBA** along six indicators: population change; distance to primary schools; distance to health services; diversity of natural ecosystems and broadband speed (more information on the methodology is included in Annex I). Information on specific countries has been identified through a **survey** disseminated to the main national experts of Member States who are either members of the Urban Development Group[1] or the Network for Territorial Cohesion Contact Points[2]. The results of the survey have not been used directly but only to detect key topics and data sources.

PART II is aimed at identifying **key policy approaches** promoted by SUAs to address the specific development challenges that affect them. These are structured along five categories:

1. Re-activating places for people and community.
2. Re-discovering uniqueness.
3. Re-connecting with nature for a sustainable future.
4. Re-inventing smart public services.
5. Re-imaging governance and partnerships.

For each one of the afore-mentioned categories concrete **examples of projects implemented in SUAs** are provided. References from the original source of each example is made available to allow the reader to dive deeply into any single project.

The **methodology** for this section is a desk research based on a literature review and the analysis of existing databases of good practices pertaining to EU networks or initiatives promoting urban development (e.g. URBACT, Urban Innovative Action, Covenant of Mayors, New European Bauhaus).

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1   As an informal advisory body to the Directors-General meeting on Urban Matters, the Urban Development Group (UDG) discusses urban issues at the intergovernmental level, strengthening cooperation and advising official DG decisions around the future of the Urban Agenda for the EU (UAEU). The UDG is composed of representatives from MS, the EU Commission, the EU Parliament, the EU Advisory bodies such as the Committee of the Regions (CoR), and representatives of urban authorities that put forward the multilevel character of the UAEU.

2   The Network of Territorial Cohesion Contact Points supports the cooperation of the Ministers responsible for spatial development in the implementation of the Territorial Agenda. It gathers representatives of Members States, candidate countries and guest countries (i.e. Iceland, Norway, and Switzerland), EU institutions and other relevant territorial stakeholders.

PART III focuses on **Sustainable Urban Development (SUD) strategies targeting SUAs** in the framework of the **EU cohesion policy.** In particular, the section provides for the political and operational background of the EU policy relevant for SUAs. The **political frameworks** concern the strategic direction given for SUAs by the periodical declarations produced by the informal Council of Ministers in urban and territorial matters. The **operational framework** is that of the **cohesion policy,** and more specifically the integrated and place-based approach promoted by sustainable urban development (SUD) strategies[3].

To understand better how SUD strategies work concretely, the section looks in detail at **the picture emerging from the 2014-2020 programming period.** It gives insights on the key characteristics of SUD strategies targeting SUAs. It also provides a **comparison between** how strategies were developed in **towns** and in **cities,** inferring considerations in terms of the administrative and strategic capacity of SUAs.

Finally, the last part of the report is dedicated to **case studies** demonstrating how integrated SUD strategies represent a significant instrument for SUAs to rethink their development path while tackling their challenges. The following six case studies are included: Cuneo (Italy); Fundão (Portugal); Kilkenny (Ireland); Lebach (Germany); Lucena (Spain); Salgótarján (Hungary); Ventspils (Latvia). From each case, **key recommendations** are identified that can be **inspirational for other SUAs** encountering the same policy challenges.

The third part is based on a mix of primary and secondary research **methods.** In particular, these include a review of literature and grey literature, an analysis of STRAT-Board data (a database collecting data on all the integrated urban and territorial development strategies supported by the cohesion policy in 2014-2020) and interviews with representatives of the local authorities responsible for the SUD strategies described in the case studies.

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3   Article 11 of Regulation (EU) 2021/1058.

PART I.
An introduction to Small Urban Areas

The peculiarity of Small Urban Areas (SUAs)

Scholarly research has long debated the **urban-rural dichotomy** (Steinführer, 2022, Copus, 2013, OECD, 2013, Healy, 2002). The distinction of urban and rural areas is usually represented as part of a territorial continuum characterised by areas with different degrees of urbanity and rurality (Davoudi, 2002). However, while it might be rather straight-forward to locate a megacity and a small village on the urban–rural continuum, small urban settlements 'are more difficult to be identified, as they are more ambiguous types of territories' (Steinführer, 2022, p. 63).

Small urban areas (SUAs) represent a key component of every country's settlement structure (Bański, 2021). **SUAs are highly diverse** in geographic, demographic, socio-economic and governance profiles and can provide for different functions based on their territorial context and their national policy framework (Korcelli-Olejniczak, 2021). They can function as reference centres for services, as satellites of a metropolitan agglomeration, offer economic or recreational activities for their related rural areas as well as represent a 'node of transmission where regional policy is concerned' (Bański, 2021, p. 7).

While SUAs are increasingly considered important actors in territorial, regional and national development (Atkinson 2019, Wagner and Growe, 2021), to date not enough attention has been given to this particular type of territory and scientific evidence is limited and not generally harmonised (Wagner and Growe, 2021). Due to their heterogeneous nature as well as to a city centrism bias in urban studies, research in this field (as well as the mainstream policy and statistics therein) tends to focus mainly on bigger cities and metropolitan areas, usually describing the urbanity of small urban settlements in deficit terms (Bański, 2021). On the other hand, rural studies do not systemically investigate small towns in a rural context (ibid.), often relegating the small urban settlement debates to those between the metropolitan and rural areas (CoR et al., 2022).

In fact, in addressing this subject, many of the theories and inquiries that are used to analyse the largest urban areas are simply adapted and applied to other contexts, without fully examining the significant differences that exist among various territorial landscapes (Meijers and Bruger, 2022). However, small urban settlements are not merely the smaller version of large cities (ibid). They have specific social, economic and cultural features that differentiate them from other types of settlements (Bański, 2021), with medium-sized and large urban centres on the one hand and rural areas on the other.

Defining a SUA is therefore an open question per se. Currently, there is still no consensus identifying dimensions of 'smallness' that should be taken into consideration in defining SUAs.

Defining Small Urban Areas
between cities and rural territories

The European Union (EU) has no universally accepted definition of SUAs and of their key characteristics. Most definitions generally focus on variables based on administrative limits and population/density, which are deeply influenced by the national context since the size criterion differs greatly depending on the country. For instance, in **Germany** a small urban area is considered to be a settlement of fewer than 50 000 inhabitants, while in **France,** the **Czech Republic** and **Poland** the threshold is below 20 000. In **Romania,** the definition is based on a population limit of at least 10 000 inhabitants. **Spain** adopts a more nuanced approach combining morphological and functional characteristics: a SUA can either consist of a municipality with a population between 20 000 and 50 000 inhabitants when it is part of a larger (functional) urban area or a municipality between 5 000 and 20 000 based on population density, demographic trends from 1960 to 2020, economic sectors and relevance to tourism.

National definitions certainly allow Member States to conduct statistical analysis and disaggregate urban and rural indicators for national policy purposes. This, however, makes international comparisons challenging, as smaller settlements are named differently: they are referred to as 'small and medium-sized cities' (SMCs), 'small and medium-sized urban areas' (SMUAs), 'small and medium-sized towns' (SMESTOs) or 'towns'. This conceptual proliferation also reflects

the indisputable need for a definition that is nationally applicable and internationally comparable. Given the diversity of terms for SUAs, supranational institutions have also sought to find a new universal definition based on the Degree of Urbanisation for Local Administrative Units (DEGURBA) (Box 1):

- In 'Cities in Europe, the new OECD-EC definition', Dijkstra and Poelman (2012, p.5) defined 'small and medium-sized towns with a centre with between 5000 and 50000 inhabitants are not yet defined in a harmonised manner'. In this context, a 'town' refers to an intermediate-density area.
- The World Bank adopts the definition from the (DEGURBA stating that towns and semi-dense areas have 'a population of at least 5000 inhabitants in contiguous grid cells with a density of at least 300 inhabitants per km²' (Dijkstra et al. 2020).
- The UN-Habitat recognises there is a 'wide variation in how 'towns' are defined' and also adopts the DEGURBA to label small urban settlements (UN HABITAT, 2022, p.33).
- The most recent DEGURBA published in 2021 in collaboration between the EU Commission (and EUROSTAT), UN-Habitat, the OECD and the World Bank builds on these data and provides a universal and harmonised definition of 'town' and 'urban' in contrast to 'rural' based upon satellite observation (see Box 1).

In the framework of this study, SUAs will be used to refer to small urban settlements characterised by **'continuous urban clusters with a population of 5000 to 50000 inhabitants and a density above 300 inhabitants/km² that are not considered High-Density Urban Clusters (HDUC) according to the DEGURBA'** (CoR, 2022, p.7)

The above definition will be used to ensure a standardised identification of SUAs across European geographies and to conduct analysis on SUAs in all 27 Member States. However, while accepting its high comparability potential, having a classification purely based on population size and density may not be enough to grasp the complex territorial dynamics that characterise such variegated types of territories (Servillo et al., 2014).

It is worth noting that smallness may also refer to other dimensions such as the range of influence, the administrative status or integration into the global economy (Korcelli-Olejniczak 2021). It is precisely for this reason that specific studies take into consideration other variables based on a combination of criteria such as functional equipment, production specialisation, administrative hierarchical levels, location and other morphological features (Hopkins and Copus, 2018; Bański, 2021; Mayer and Lazzeroni, 2022).

Box 1. The Degree of Urbanisation (DEGURBA)

The Degree of Urbanisation is a new method designed to better capture the territorial differences of the urban-rural continuum. It was developed by six international organisations and agencies to facilitate international comparisons and has been endorsed by the UN Statistical Commission. It consists of two levels of degrees of urbanisation (Dijkstra et al., 2021).

The **first level of degree of urbanisation** divides a territory into three classes: 1) cities, 2) towns and semi-dense areas, and 3) rural areas. The Degree of Urbanisation classification is applied in a two-step process. First, all 1 km² grid cells are classified into three types. Second, these types of grid cells are used to classify small administrative or statistical spatial units. The three grid concepts are defined as follows:

1. An **urban centre** consists of contiguous grid cells of 1 km² that have a density of at least 1 500 inhabitants per km². The contiguous cells should have a total population of at least 50 000 inhabitants. Gaps in these urban centres are filled and edges are smoothed. This defines a **city.**
2. An **urban cluster** consists of contiguous grid cells with a density of at least 300 inhabitants per km². The contiguous cells should have a

total population of at least 5 000. This defines a town and semi-dense area.
3. **Rural grid cells:** grid cells outside urban clusters. This defines a rural area.

A **second level of degree of urbanisation** provides more detail by splitting towns and semi-dense areas into towns and suburban or peri-urban areas and by splitting rural areas into villages, dispersed rural areas and mostly uninhabited areas. The seven grid concepts can be used to define local units as shown in the following.

1. **Cities** have the majority of their population in urban centres.
2. **Dense Towns** have the largest share of their urban cluster population in a dense urban cluster.
3. **Semi-dense Towns** have the largest share of their urban cluster population in a semi-dense urban cluster.
4. **Suburbs or peri-urban areas** have the largest share of their urban cluster population living in suburban or peri-urban cells.
5. **Villages** have the largest share of their rural grid cell population living in a rural cluster.
6. **Dispersed rural areas** have the largest share of their rural grid cell population living in low density rural grid cells.
7. **Mostly uninhabited areas** have the largest share of their rural grid cell population living in very low-density rural grid cells.

For more information: Degree of Urbanization, *https://ec.europa.eu/eurostat/web/degree-of-urbanisation/background*.

Table 1. DEGURBA classification matrix.

			Population size threshholds of the settlments			No population size criterion (not a settlement)
			≥50 000	5 000 - 49 999	500 - 4 999	
Population density of cells, inhabitants per km²	≥1 500	High density	Cities	Dense towns		
	≥300	Moderate density		Semi-dense towns	Villages	Suburbs or peri-urban areas
	≥50	Low density				Dispersed rural areas
	<300	Very low density				Mostly uninhabited areas

Categorising Small Urban Areas
A literature review

SUAs are recognised as indispensable elements for the development of territorial policies (Wagner and Growe, 2021, Atkinson, 2019). In fact, SUAs represent the key links in the urban system when it comes to the overall relationship between large urban centres and rural areas (Bell and Jayne, 2006, Wagner and Growe, 2021, Bański, 2021). At the same time, they can play different roles in relation to their more general territorial context. To understand these roles, the literature typically categorizes SUAs according to three specific approaches: **1)** the functional-relational approach **2)** the socioeconomic approach **3)** a multi-criterion approach.[4] Each of the identified categorisations differ from one to another in terms of the criteria designation.

The **functional-relational approach** considers SUAs as significant components of the settlement structure, determining the level of polycentricity or monocentricity of the wider territorial region (Bański 2021). Such an approach gives significance to the location of a given SUA vis-à-vis large ones, as well as to the relationships present between the locations of towns and their roles in local space (ibid.). An example of this categorisation is the one offered by the

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4   For a more detailed overeview of the different approaches found in the literature see Bański (2021).

ESPON TOWN Project,[5] which identified three types of SUA spatial structures in relation to their location and functional roles in the wider regional context (Servillo et al., 2014):

a. **Polycentric networks of SUAs.** The SUA is part of a network of other SUAs that is not dominated by any major agglomeration or metropolitan area.

b. **Agglomerated SUAs** that are integral parts of poly-nucleated metropolitan areas and conurbations dominated by large cities/major metropolises. The functions of the metropolitan areas and of the SUAs are interwoven. This type of SUA might act as a relay of the main city and therefore possesses a low degree of functional and strategic autonomy.

c. **Autonomous SUAs.** The SUA is isolated, self-standing and is usually found in peripheral rural regions. Quite often, it plays the role of a pole in rural areas.

Such an approach uses as a key spatial criterion the **level of connectivity with respect to transport networks and services** (i.e. motorways, rail stations, airports and seaports and public transport services), extracting **three different subcategorisations** of territories, namely those that are **(i) highly connected, (ii) fairly connected** and **(iii) poorly connected.**

Under a different perspective, the **socioeconomic approach** categorises centres based on the social, cultural and economic roles they play in serving both the local population and the entities that operate within the given location and its surrounding areas (Bański 2021). Such an approach tends to define the dominant economic sector characterising a particular town. Building on the systematic analysis of the socio-economic dynamics of 31 European small and medium-sized towns, Hamdouch et al. (2017) identify three distinct profiles for local economies. The first category is characterised by a **predominant 'residential' economy** that primarily serves the needs of local residents, commuters or tourists. The second profile is a **predominant 'productive' economy** that focuses on producing goods and services primarily for export and consumption outside of the local area. The third category is a **mixed type** that combines significant activity in both the productive and residential sectors, along with a complementary **creative-knowledge** dimension that is based on entrepreneurship, innovation and collaboration.

Going towards a **multi-criteria categorisation,** Bański (2021) proposes a synthetic method for classifying SUAs that takes account of the **economic structure, location and the relationship between the towns and their surroundings,** identifying the following eight types of SUAs:

1. local centres enjoying good accessibility and a multi-branch economic structure;
2. local centres enjoying good accessibility and a specialised economic structure;
3. peripheral local centres characterised by a multi-branch economic structure;
4. peripheral local centres characterised by a specialised economic structure;
5. supra-local centres enjoying good accessibility and a multi-branch economic structure;
6. supra-local centres enjoying good accessibility and a specialised economic structure;
7. peripheral supra-local centres characterised by a multi-branch economic structure;
8. peripheral supra-local centres characterised by a specialised economic structure.

Apart from enriching scientific research, the above-mentioned categorisations and classifications are an attempt to offer an interpretation of the variegate behaviours that SUAs represent across countries, regions and context, with the final aim of offering a solid evidence-based framework for policy-makers concerned with elaborating development strategies and spatial planning solutions, placing interventions within specific contexts, places, time and scales (Albrechts, 2004).

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5   *https://www.espon.eu/programme/projects/espon-2013/applied-research/town-%E2%80%93-small-and-medium-sized-towns*

Operationalise SUA categorisations as an interpretation of their socioeconomic performance

Local, regional and national authorities are all motivated to comprehend why certain SUAs are better equipped to tackle specific societal **challenges** in comparison to others. Additionally, they seek to understand the intrinsic **characteristics** and territorial relationships that enable specific **paths of development.** The classification of SUAs is a method to gain a deeper understanding of the factors that influence their socioeconomic performance, which is a necessary step for implementing effective policy solutions.

For example, in **Bulgaria,** a classification of municipalities was created to build an urban hierarchy based on **functional types** defined by 13 criteria and indicators comprising the administrative, demographic, economic and territorial-planning characteristics of each municipality (Bulgarian Ministry of Regional Development and Public Works, 2008). This intends to provide periodic monitoring to track changes and identify the most appropriate policy response to local development. In the case of **Poland,** the government conducted a national survey to identify SUAs and their underlying characteristics. Seven indicators were used to identify the 255 at-risk municipalities in Poland – mostly rural towns with more than 15 000 inhabitants and capitals of powiats [counties]. These indicators include changes in registered population, population forecast for 2035, unemployment rates, the municipality's budget (own resources/revenues), nights spent in accommodations as well as registered companies (Proietti et al., 2022).

In an attempt to operationalise available SUA categorisations, Korcelli-Olejniczak (2021) identifies a specific role for SUAs, which is seen to be largely determined by their **accessibility to the nearest large city.** Following this argument, the author suggests different roles for various categories of towns.

Towns located within or at the edge of metropolitan areas can function as residential areas or sites for industrial and commercial activities, which can help in the development of the metropolitan area. Towns that are further away from metropolitan cities can contribute to territorial unity by forming functional links through local town networks. SUAs functioning as service centres in peripheral regions can sustain their position by developing specialised functions based on their endogenous resources.

From **a socioeconomic perspective,** Servillo et al. (2014) highlight how employment growth rates tend to be higher for SUAs that in past decades were less dependent on industrial employment: these municipalities had a more prominent service sector and tended to generate higher growth rates. On the other hand, municipalities that had a profile based on a combination of industrial and private sector services performed well with high employment rates and a low level of unemployment.

These proposed categorisations consider SUAs to be heavily dependent on the **dynamism of the region** to which they belong and/or on **their proximity to a metropolitan area** (Demazière, 2022). At the opposite end – critiquing agglomeration theory and large centres' territorial dominance – Meijers and Burger (2022) argue that rather than focusing on the endogenous potential of each territory, the development prospects of SUAs depend on **how these cities and towns relate to other settlements,** be they small or large. Meijers and Burger (2022) argue that rather than focusing on the endogenous potential of each territory, the development perspectives of SUAs depend on **how these cities and towns relate to other settlements** – be they small or large – as their capacity to be autonomous is much less than that of larger urban centres.

A wicked decline
SUAs' main challenges between economic and demographic trends

Globalisation forces, space-blind neoliberal policies, deindustrialisation, de-ruralisation, technological change, as well as the growing valorisation of the quality of life and the more recent trends of remote work have all contributed to a differentiation of functions performed by SUAs and have impacted their overall development trends (Servillo et al., 2014, Atkinson, 2019, Korcelli-Olejniczak, 2021). Such a process is particularly evident in cases like **Romania** where, for instance, the share of small towns with a dominant industrial function dropped from 54.7 % in 1990 to 8.4 % in 2018 (Ianoş, 2021).

Such a long-term process based on the agglomeration economies has certainly led large cities to benefit more than SUAs (and more peripheral rural areas), leading to **polarised, uneven development and an increase of territorial inequalities** at the sub-regional level (Barca, 2019, Brenner, 2019, Rodriguez-Pose, 2018). In this context, **SUAs** (in particular peripheral ones in respect to main urban cores) have, generally been treated by policy makers as **'places that don't matter'** (Rodriguez-Pose, 2018), receiving a smaller share of public investment in recent decades (Dijkstra, 2013). Those territories have been usually described as having no future prospect and as being trapped in a path of underdevelopment that sees shrinkage as the most visible phenomena (Rodriguez-Pose, 2018).

4.1 The downward spiral of shrinking Small Urban Areas

Shrinkage is a concept that has not yet been completely elucidated (Pallagst and Hammer, 2022). This is mainly due to the complexity of the interwoven processes constituting it. The most common definition used when referring to urban shrinkage is the one developed by Martinez-Fernandez et al. (2012) who define a shrinking city as 'an urban area – a city, part of a city, an entire metropolitan area or a town – that has experienced population loss, economic downturn, employment decline and social problems as symptoms of a structural crisis' (Martinez-Fernandez et al., 2012, p. 214 as cited by Cunningham Sabot and Ročak 2022).

Other more recent definitions try to also include a threshold on population size, so as to underline the urban character of such a phenomenon, such as the one recently developed by the EU project RE-City (2018) that considers a shrinking city an urban area with a minimum of 5 000 residents with a loss of population over a period of five years (Cunningham Sabot and Ročak, 2022).

SUAs seem to be exceptionally prone to shrinkage processes (CoR et al., 2022) as they find themselves in a territorial friction between urban sprawl and metropolisation (Demazière, 2022). Some of them – mainly those belonging to a large agglomeration –

may somehow benefit from this process (see section 4.6), while others – usually the polycentric and autonomous ones – are negatively impacted by it (Atkinson, 2019, Wagner and Growe, 2021).

An analysis of the change of population (see Annex I for more information) (increase/decrease) in the EU between 2011 and 2018 at settlement level (Fig. 1) shows that, although the average of EU SUAs' population has remained steady (with an increase of only 1.4 %, mainly restricted to a few countries), **more than half of the EU Member States see their SUA population shrinking.** Looking at the spatial patterns across the EU, Figure 2 shows clear cluster areas. The population has increased in SUAs in central Europe and Nordic countries, in particular in those areas closer to a main capital and big agglomerations, some coastal areas and islands. On the contrary, **eastern and southern Member States and the inner part of the countries are particularly impacted by the shrinkage process.** The bottom maps in Figure 2 zoom into Baltic and Nordic countries, showing the significant differences between them. It is noticeable that **Sweden** and **Finland** mostly experienced an increase in their SUA and city population sizes, while for **Estonia, Latvia** and **Lithuania** the situation was completely the opposite: the population has generally decreased everywhere except in a few SUAs around the main capitals. This example represents a clear process of **suburbanisation.**

Figure 1. Population change (in percentage) between 2011 and 2018 in EU settlements classified as a city, SUA or villages representing national average values.
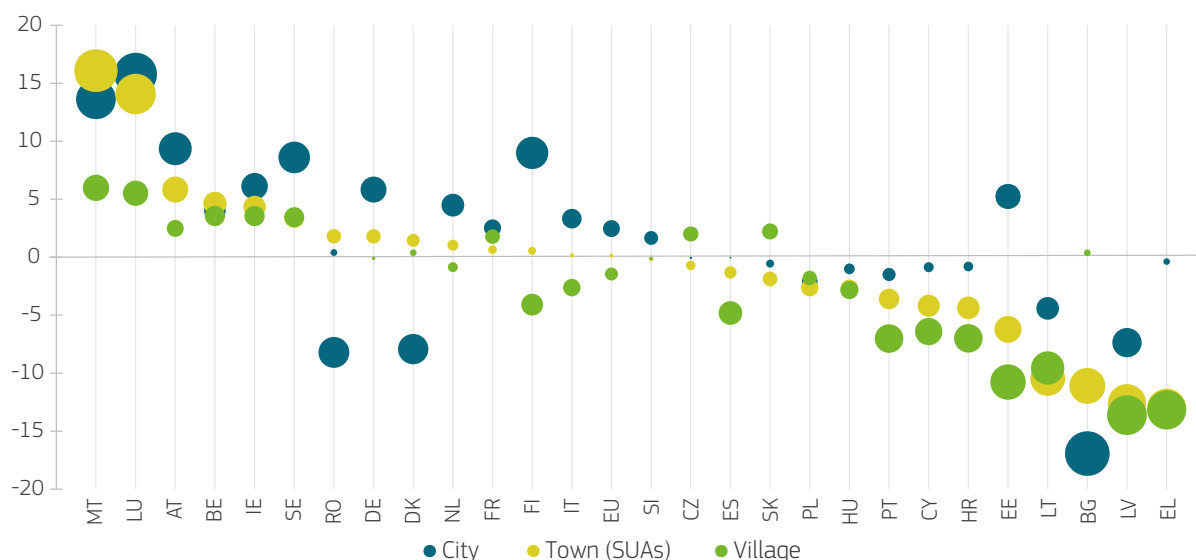
Figure 2. Population change (in percentages) in EU SUAs between 2011 and 2018 (top map). Comparison between cities and SUAs in Baltics countries (bottom maps).
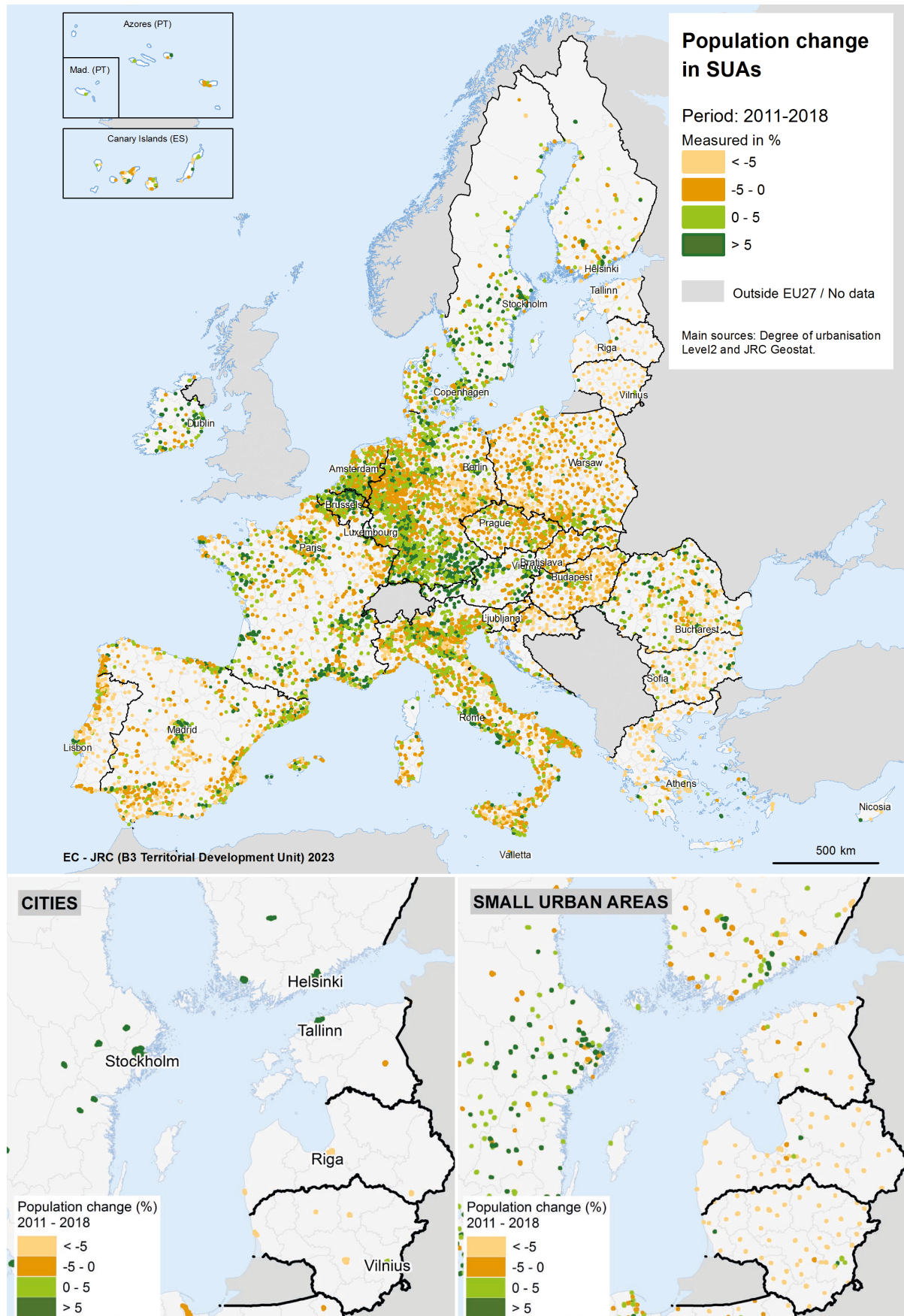
Despite the fact that factors and manifestations may differ from one context to another – due to differences in terms of global embeddedness, territorial attributes and economic structures – 'the process [of shrinkage] is still structural from an economic viewpoint since it affects the structure of the urban system over the long term and is strongly rooted in the process of globalisation' (Cunningham Sabot and Ročak, 2022, p. 11).

Shrinking SUAs present the typical signs found in other types of settlements facing this same situation: they are usually characterised by **population decline, out-migration, rising unemployment,** a **decrease of purchasing power,** a **shortfall in public revenues** and frequently have a **negative residential mobility balance** in comparison to larger cities or suburban places (Aurambout et al., 2021). These dynamics generate a fundamental modification in the patterns of the settlement structure and in turn on their functional role (Cunningham Sabot and Ročak, 2022, Bański, 2021). Indeed, shrinking SUAs were not always declining places: they may have once been functioning well within their own contexts and may have even experienced growth and contributed to the wealth of their inhabitants (Aurambout et al., 2021).

What makes the shrinking phenomena especially problematic for SUAs is the combination of the 'structural declining factor' and its long-lasting duration, together with the lack of development prospects (Restrepo et al., 2017). In these areas, shrinkage often results in a self-reinforcing spiral of decline that negatively impacts the socio-economic construct, built environment and the territory's ability to avoid further impoverishment. This leads to the formation of various vicious cycles that affect the settlement on different levels and dimensions (Pallagst and Hammer, 2022).

4.2   Economic decline

The most evident vicious circle is the one related to **economic decline,** where restructuring forces (such as deindustrialisation) already mentioned are generating acute consequences in terms of **unemployment** and **job-driven migration** (Servillo et al., 2014). The closure of factories and industries leads to a large segment of the workforce leaving in search of job opportunities elsewhere (Korcelli-Olejniczak, 2021). An example of this is the case of north-western **Poland** after 1989 where – with the closure of state farms and the consequent loss of service functions linked to the collectivised agricultural sector – an important segment of the population that had once been employed in small towns migrated to Germany (Bański et al., 2021).

A second complementary negative consequence of **emigration** is the **impoverishment** of the remaining population and the **reduction of the demand for goods and services.** This results in a **decline in entrepreneurship** and in the utilisation of social and economic infrastructures, which can ultimately lead to the **closure of local businesses and organisations** (Bański et al., 2021). In **France,** for instance, according to the Agence Nationale de la Cohésion des Territoires (2020), 90 % of SUAs suffer from a decline in the number of businesses: small shops and especially specialised food shops (produce shops, butchers) are disappearing, leading to the loss (at the local level) of entrepreneurship and the difficulty of creating and/or maintaining artisanal, commercial and industrial economic activities. This situation results in a reduction of job creation and an increase in unemployment, leading to subsequent waves of outflow migration.

4.3 Ageing population

A derivative circle of the economic decline dynamics presented above is the **young outflow-ageing nexus.** Driven by job-loss and the rise of unemployment, the outflow of the population described above is actually age and skills selective, as it is mainly driven by younger and more qualified residents who are the ones leaving first in the search for better opportunities elsewhere (Demazière, 2021, Aurambout et al., 2021, Korcelli-Olejniczak 2021). This process results in the ageing of the remaining population and a **reduction in its labour force.** It also leads to a relative **increase in the population of low-skilled groups** as well as a **decline in social capital and entrepreneurial activity** (Kamińska, 2006, as cited in Bański, 2021). Those two phenomena together generate further economic stagnation and lack of development prospects (Demazière, 2021). In addition, it has been observed that the outflow of female migrants from SUAs is higher compared to the male population, which is more likely to stay in the same areas. This phenomenon is referred to as **defeminisation,** which results in a considerable change in the demographic composition of SUAs (EUKN, 2019) and may also lead to a decrease in birth rates. The decline in birth rates, along with a negative natural balance and the further ageing of the population, completes the complex cycle of shrinkage.

Ageing is a common process throughout all types of European territories (on average Europeans live 5.1 years[6] longer than they did in 1995, EU Commission 2023). It is worth noting that within this phenomenon, more intensive processes of increasing the share of the elderly in the society are generally observed in towns in comparison to rural areas and in the large urban areas periphery rather than in the city centres (Bański et al., 2021). Autonomous or poorly connected SUAs will be particularly impacted and will age at a quicker rate (Perpiña Castillo et al., 2022). Studying the case of **Poland,** Bański et al. (2021) report that the process of population ageing intensified considerably in the years 2008, 2010–2015 and 2017 and affected almost all 770 Polish small towns. It was only in 10 towns that the age structure of the resident population got younger, while in the remaining 660 the ageing of the population was proceeding, even though at various rates.

The needs of an ageing population

A transformation of the shape of SUAs' age pyramid puts a strain on the entire functioning of their (and their dependent settlements) social structures. Old people represent a vulnerable category of the population in different dimensions. This vulnerability is linked, for instance, to their **housing and living conditions, poor health or reduced mobility,** the **financial insecurity of those with a lower income,** as well as **material deprivation** (CoR, 2020a). The latter is particularly true in eastern Europe, with the exceptional (negative) case of Bulgaria where material deprivation for older people touched almost 33 % compared to 20 % of the total population (ibid.). Such trends can result, in some cases, in a higher chance of **social exclusion, lack of support networks and loneliness.** In countries such as **Italy, Luxembourg** and **The Netherlands,** it has been reported that 15 % of the elderly population do not have anyone to talk to (ibid.). However, it should be stressed that these trends in SUAs may be less prominent, as they usually tend to be characterised by higher social interactions, a higher community feeling and stronger social cohesion (Sørensen, 2014).

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6   As the EU ages, an overall decrease of 30.8 million people (−6.9 %) is expected by 2100, affecting more children and the active population. This process will also impact Europe's work force, which will shrink by 2 % by 2030.

4.4   Discontent and inequalities

The underdevelopment trap generated by shrinking SUAs and related to economic and demographic decline has a dual negative effect on both **local culture** and the functioning of **social services.**

A long-term status of underdevelopment fuels a so called **'geography of discontent'** (Dijkstra, Poelman, and Rodríguez-Pose, 2020). This concept refers to 'the unhappiness experienced by people living in a mix of stagnating and low-productivity regions – mainly rural areas and medium-sized and small cities – as a direct consequence of the limited opportunities and economic development prospects they face' (Dijkstra, Poelman, and Rodríguez-Pose, 2020, p.744). Moreover, people residing in these places generally have the perception that their values and norms are not being recognised and are rather being superseded or even disregarded. Many feel that their needs and aspirations are ignored by institutions and authorities and feel a lack of recognition, which often turns into further frustration (Barca, 2019). The resulting discontent has led many in these areas to use the ballot-box to 'rebel against the feeling of being left behind; against the

feeling of lacking opportunities and future prospects' (Rodríguez-Pose, 2018, p. 190).

Studies in the realm of political science claim that inhabitants of rural, suburban and peripheral areas are more likely to vote for populist parties (de Dominicis et al., 2020). These areas have been referred to as 'reservoirs of populist resentment' and tend to be more **Eurosceptic** than larger urban areas (de Dominicis et al., 2020, Proietti et al. 2022). Discrepancies between rural areas, towns and suburbs are however noticeable: 'villages are less likely to vote anti-EU than other rural areas, [and] towns are less anti-EU than suburbs and large cities are less anti-EU than smaller cities' (de Dominicis et al., 2020, p.11). **France** is often used as a remarkable example of such a territorialised rise of the populism phenomenon (Box 2). However, caution should be exercised, as there are other factors at play.

The resulting shrinkage of the population generates other problems, including for instance a **decrease in municipal revenues.** In **Italy,** the Institute for Local Finance and Economy (IFEL) recently reported that one sixth of Italian municipalities have closed

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Box 2. Case study of the rise of voter preferences for populist parties in France

Like many European countries, France has been confronted with the rise of far-right electoral preferences. The growing opposition between metropolises (through the process of metropolisation) and smaller territories with different dynamics has led to territorial socio-economic inequalities (Rousseau et al., 2022).

In France, it is increasingly difficult for low-income populations to access basic services (health, transport, training, housing) in isolated territories where SUAs are located, as a result

of the withdrawal of the State. Economic and social difficulties have been aggravated by the restructuring of the State, in particular by the neoliberal and austerity turn of national policies that have fuelled the radicalisation of far-right parties.

Moreover, the pursuit of metropolisation has led to the decline of small and medium-sized urban areas and to the widening of inequalities. This is culminating in the decline of activities and vacancy of commercial premises, which feeds into the feeling of abandonment that in turn leads to increasing abstention and more votes for populist parties that glorify SUAs.

For more information: *https://mycountryeurope.com/politics/populism-left-right.*

the last accounting year in deficit. This is particularly problematic for southern regions – those historically affected by the shrinking phenomena – with striking cases of Calabria and Sicily, where municipalities respectively report 63 % and 52 % of their accounts being in the red (IFEL, 2023).

The financial capacity of city administrations to maintain local services and infrastructure may thus **decrease,** leading to the decline in the **quality of public spaces,** of **service levels, of access to facilities** and in the overall attractiveness of the city (Atkinson, 2019). This has been particularly clear in **France,** where the wave of austerity policies and territorial administration reforms aimed at reducing public expenditure (considered excessive) led to several adverse effects on various sectors (Demazière, 2022). Between 2007 and 2017, nearly all the district courts of French small towns were closed; hospital and health facilities present there were drastically reduced, increasing the vulnerability of SUAs both in terms of a loss of their functions and in terms of their employment levels (Demazière, 2022).

In fact, **poor access to services** reduces quality of life, worsens economic disparities with urban areas, increases dependency on unsustainable transport

modes and forms an additional hardship for mobility-impaired citizens (Kompil et al., 2022). Recent studies on EU-wide service accessibility empirically show that public service provision and its corresponding accessibility pattern is highly affected by territorial factors and the urban-rural division (Kompil et al., 2022 and 2019). In particular, limited or poor health facilities have a strong effect on the perception of the attractiveness of a SUA (Novotný et al., 2021) and, especially in autonomous SUAs, increase the risk of **'medical desertification'**[7]. This has effects not only on the SUAs themselves but on the entire dependent settlement system, leading to the exacerbation of the **health inequalities** in the territories, especially among vulnerable groups (AHEAD project 2022). Another key negative outcome linked to this vicious circle is the increased pressure on **school provision** (nurseries, kindergartens and primary education), mainly due to the decline in student population, which becomes one of the fundamental reasons driving the current outflow of young families from SUAs (Aurambout et al., 2021).

Such territorial **disparities in the access to educational and health services** is clearly shown by the analysis represented in Figures 3 and 4 (see Annex I for more information). By analysing the level of

Figure 3. Driving time (in minutes) to primary schools by settlement type, representing national average values.

● City ● Town (SUAs) ● Village
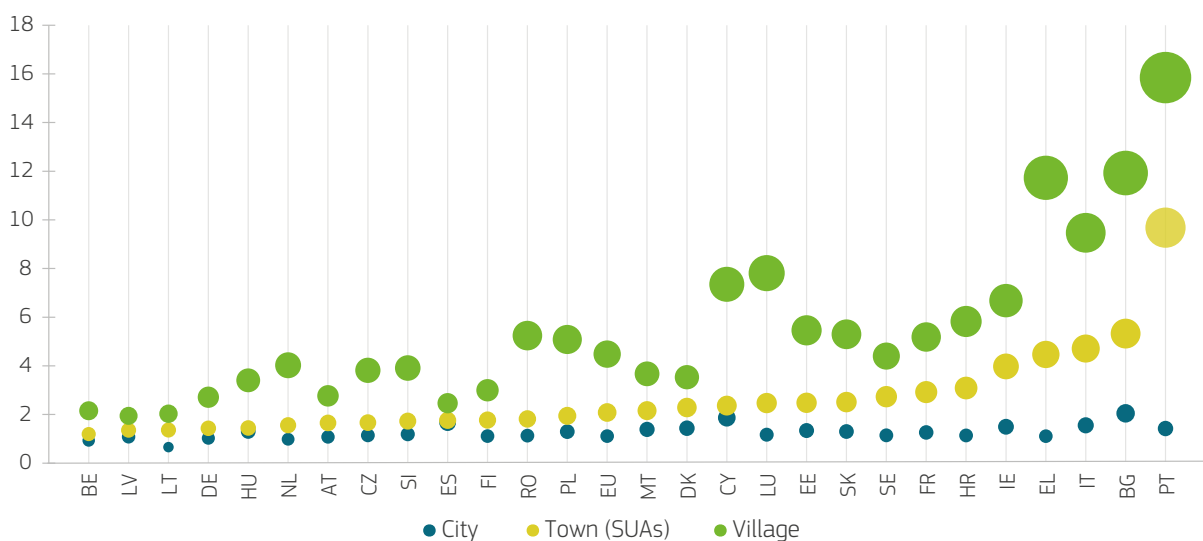
7 Medical deserts are defined as territories demonstrating a continuous and increasing inability to provide a given population access to health services in a timely and contextually relevant manner (AHEAD project, 2022).

accessibility of these services by typology of settlement, it is clear that the EU-wide average travel time to the nearest primary school and health service is, by far, lower in cities compared to that in SUAs and villages. On average, residents living in a city have to spend less time to **access the closest primary school,** with clear disadvantaged situations reported in **Portugal, Bulgaria, Italy, Greece** and **Ireland.**

The same picture can be found analysing access to the nearest health care service, whereby in settlements classified as city, people have better access to healthcare services compared to SUAs and villages. In the cases of Croatia, France and Spain, travel time to access health care services for SUAs is almost three times higher that of cities.

Interesting examples are shown in Figures 5 and 6, where maps show the different challenges faced by residents in cities, SUAs and villages in terms of health and education service provision. Spain and Italy are outstanding cases demonstrating the different situations within countries. In the case of Italy, SUAs (especially in the south) face an important challenge concerning primary schools. Residents living in SUAs in Spain, on the other hand, face a disadvantageous situation with regards to accessing health care services as compared to residents in cities.

Figure 4. Driving time (in minutes) to health services by settlement type, representing national average values.
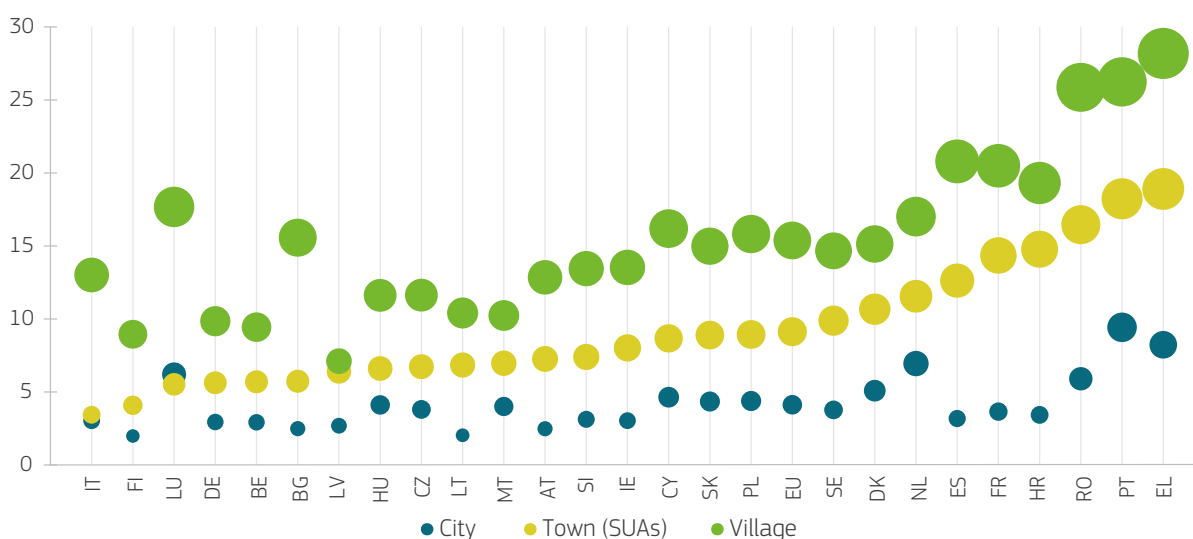
Figure 5. Average driving time (in minutes) to the closest primary school in the EU SUAs (top map). Comparison between cities and SUAs in Italy (bottom maps).
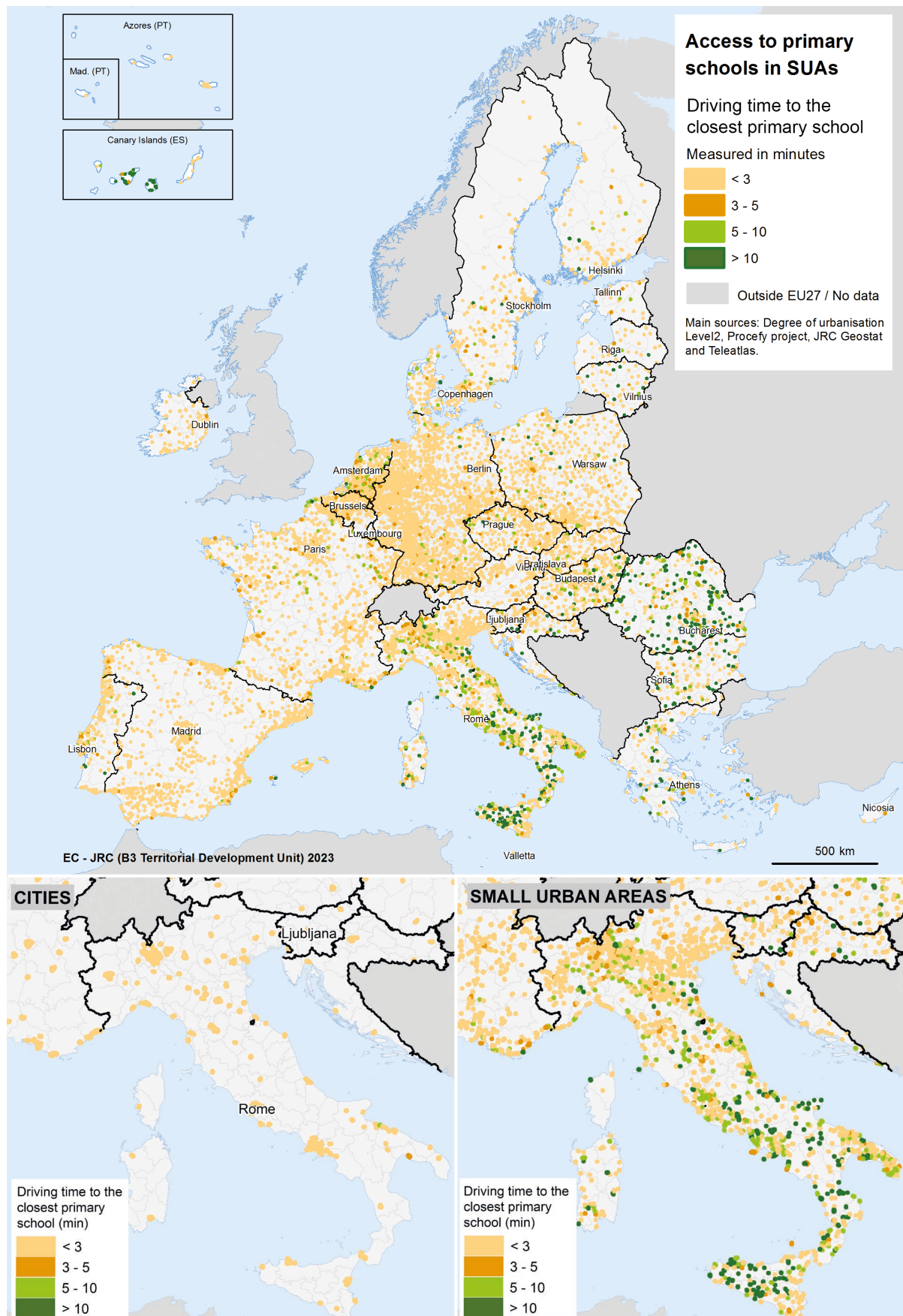
Figure 6. Average driving time (in minutes) to the closest health service in the EU SUAs (top map). Comparison between cities and SUAs in Spain (bottom maps).
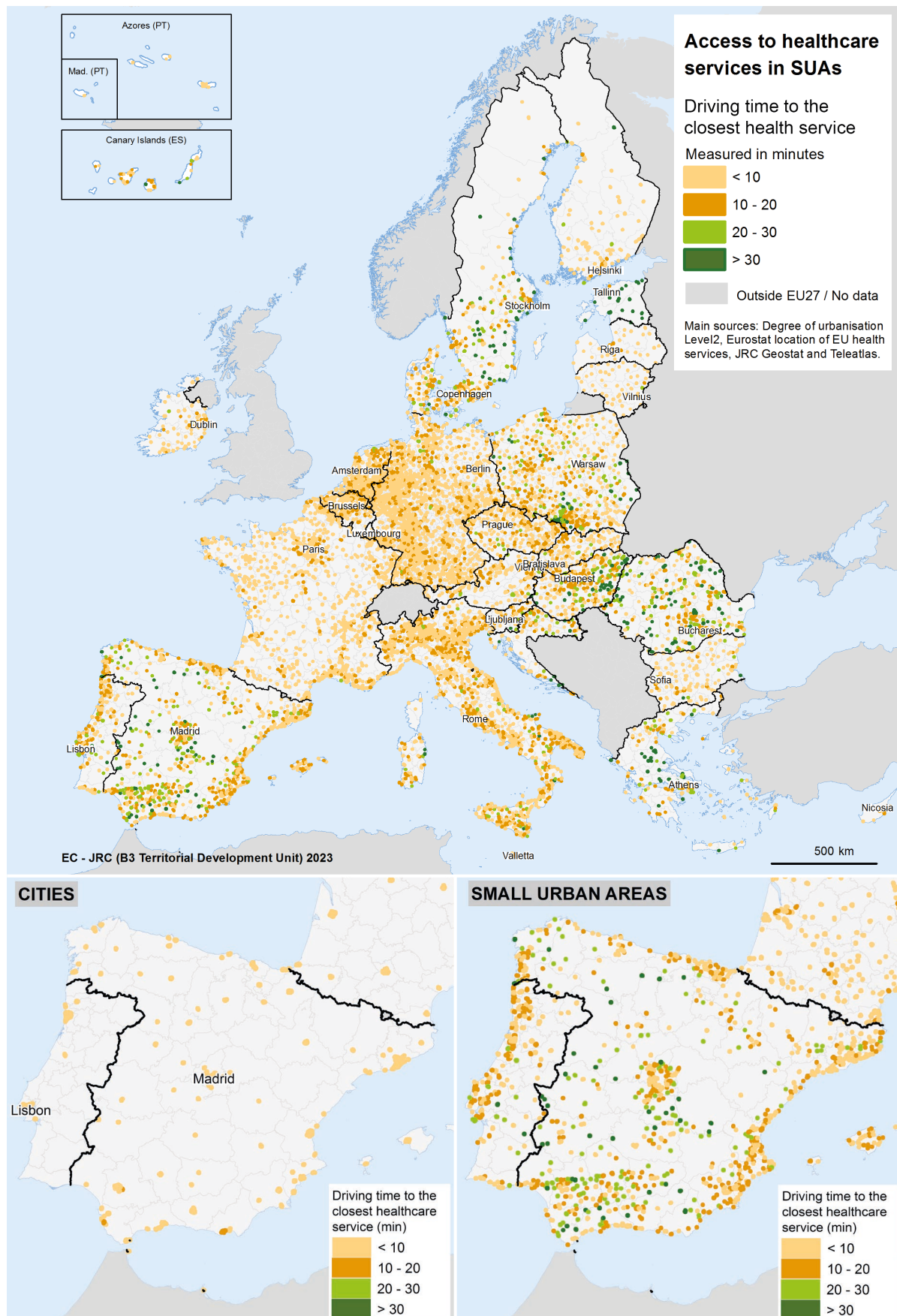
4.5 Decay of the built environment

The economic and demographic decline typical of shrinking processes (characterised by the closure of local shops, services, facilities and former commercial and industrial production sites) radically affects the **built environment of SUAs** and presents serious environmental and economic concerns in their territories (Aurambout et al., 2021). At the same time, as the population decreases, the housing supply may exceed demand, leading to an increase in **vacant properties** and a **decrease in property value** (Sabot and Ročak, 2022, Demazière, 2021, Novotný et al., 2021). The deterioration of the built environment and the lack of maintenance of built and natural infrastructures lead to both the transformation of several parts of their territories into **brownfield** and to a general **decay of the physical urban structure.** In this context, public infrastructures may appear oversized and their **maintenance and adaptation** become increasingly difficult as fewer investments can be made to adapt the urban environment – both due to the reduction of municipal revenues described above, as well as to a shift of the investment prioritisation of supra-local authorities (Augis, 2022). SUAs therefore face the difficult decision of reducing the services linked to those infrastructures or continuing with their maintenance, usually leading to the increase of the cost of use (Augis, 2022). Such increase of costs, reduce the level profitability of infrastructure maintenance and the consequent drop of investments in the built environment, leading to further urban decay and to the reduction of the attractiveness of the city (Pallagst and Hammer, 2022).

The complexity of the processes presented above make it clear that these vicious circles are interwoven and interlinked to one another and that the exiting downward trap of shrinkage is extremely difficult for SUAs. This begs the question: are all SUAs experiencing the negative effects of shrinkage?

4.6 Taking a closer look at growing Small Urban Areas

Although SUAs have been particularly hit by economies of agglomeration, for some of them – especially those located on the fringes of functional urban areas – the l**ower costs of life** (e.g. housing and land cost) and the **availability of space** compared to the metropolitan centres represent a **competitive advantage for attracting a new population** (Demazière, 2022). Such territorial dynamics, lying between metropolisation and suburbanisation, may result in a process whereby people move from the urban core in favour of SUAs belonging to the agglomerated area (Servillo et al., 2014, Atkinson, 2019, Cunningham Sabot and Ročak, 2022). These particular SUAs usually undergo extremely rapid urbanisation, as shown for instance in **France,** where several periurban towns have increased their population by more than 70 % or have even doubled their initial number of inhabitants (Demazière, 2022). The same can be said of SUAs in **Poland** that are situated near large flourishing metropolitan centres, as they have also experienced a significant increase of their population (Bański et al., 2022).

Academics have long debated whether SUAs' proximity to metropolitan centres and population growth may result in what is known as 'borrowing size' agglomeration benefits – leading to an increase in the performance of SUAs – or whether they are actually a manifestation of 'agglomeration shadowing' effects, leading to a decrease in the ability of these SUAs to function properly and to an increase in their dependence on core cities (Meijers and Burger, 2022, Meijers and Cardosso, 2021, Atkinson, 2019, Servillo et al., 2014).

While economic performances vary widely depending on local context and global factors, what is clear is that this process of 'rapid urbanisation' – although positive under the lens of the demographic trend of SUAs – may still lead to issues such as rising land pressures and socio-spatial inequalities (Demazière, 2022). Rapid urbanisation – especially when it occurs without appropriate planning measures or in the form of sprawl – can bring about harmful impacts that represent dramatic challenges on a wider territorial scale (Urban Agenda, 2020). These include, for example: rapid land consumption, lack of

public open space, increase in the dependency on the private car, higher infrastructural costs and less efficient service provision.

SUAs experiencing these dynamics (lack of services, activities and employment – all of which remain concentrated in the urban core) may become mere 'dormitory towns', with people increasingly commuting towards the bigger city for work, education, leisure and health (Servillo et al., 2014, Atkinson, 2019). An example is the agglomerated town of **Brandýs nad Labem – Stará Boleslav (Czech Republic)** in the metropolitan region of Prague. Despite the rapid growth of its population in the 2000s, the town has experienced a decline in the quality of private services and community life due to its increased dependence on Prague (Atkinson, 2019). Evidence shows that an increase of commuting leads to further disconnects between the places in which one lives, works and consumes, to the decline of local shops and to a certain loss of residents' sense of identity (Demazière, 2022, Atkinson, 2019).

In addition, these SUAs may also be affected by typical 'urban phenomena' like international immigration, which can hit them with a stronger intensity than what is found in the metropolitan cities. For example, in **Rignano Flaminio, Italy,** a municipality of 10 000 inhabitants located in the metropolitan area of Rome, recent records show that 15 % of its population is foreign – above the percentage found in Rome (Fioretti et al., 2014). Because these municipalities generally lack the welfare and social structures to manage these phenomena (i.e. lack of associations, non- governmental organisations (NGOs) or adequate services for inclusion), the risk is that this can lead to social fragmentation and exclusion of the most vulnerable migrants.

Exit the decline
Understanding Small Urban Area limitations and potentialities

The socio-economic transformations affecting SUAs call for a strong assessment and understanding of the actual limitations and potentialities that these territories may present in reacting to emergent dynamics and in undertaking new development paths (Lazzeroni, 2022). To do so, it is important to observe, on the one hand, SUAs under the framework of **global radical transitions** currently affecting the development system; on the other hand, it is important to evaluate **their capabilities** in enhancing specific endogenous assets (Vázquez-Varela and Martínez-Navarro, 2021).

5.1 Small Urban Areas towards the twin transition

Urban areas – independently from their size, function or geographical location – are facing the compelling challenge of the **green and digital transitions.** The EU Green Deal sits at this intersection and sees concomitantly the digital and green transition as instrumental for the achievement of its vision and targets. If managed well, this dual challenge may provide great opportunities for SUAs to rethink their role and functions into a new economic model that delivers a more just, greener and sustainable future (Lazzeroni 2022, Wagner and Growe, 2021).

SUAs and the green transition

Over the past 20 years, there has been a growing focus on urban areas in discussions on green initiatives and climate change. The conversation surrounding local authorities acknowledges their role in contributing to environmental issues, while also emphasising their potential to offer solutions. In this context, SUAs have the potential to become pioneers in building a zero-carbon future. This is because, compared to larger urban areas, they have greater flexibility to experiment with innovative approaches and establish productive partnerships, while providing localised solutions (C40, 2020). However, literature on the topic is scarce. Most of the studies on the green and digital transitions focus on large-urban areas, while low to little attention has been dedicated to smaller settlements (Kendal et al., 2020, Hoppe et al., 2016, Wagner and Growe, 2021). Some scholars have only recently started to question whether size may be a key variable to be taken into consideration in discussing urban climate and environmental issues (Hoppe et al., 2016, Kendal et al., 2020, Łopucki et al.,2020). They contend that findings from research conducted in larger cities cannot be blindly applied to smaller urban contexts, but that a more in-depth examination of the unique characteristics of SUAs may lead to a significant re-evaluation of the roles that they should assume. SUAs for example present peculiar **environmental challenges**. The **forest**

fire risk is a particularly relevant one, especially for some SUAs belonging to agglomerated regions. It is estimated that around three-quarters of fire ignition points in Mediterranean countries are located at the urban fringes, which combine a high aggregation of vegetation and a high density of houses (EEA, 2017). Some SUAs also face important issues related to **poor air, soil and water quality** (Mally et al., 2022, Burghardt et al., 2015) and this is mainly linked to their industrial past. Moreover, despite the general assumption that SUAs possess superior access to nature and biodiversity – attributed to their specific morphology and location – a closer examination of the **diversity of natural ecosystems** using Shannon's Diversity Index (SHDI) across various settlement typologies reveals a contrasting reality (see Annex I for more information). The analysis shows that cities actually exhibit a greater diversity of natural spaces in their immediate vicinity (defined by a 5 km buffer) compared to SUAs (Fig. 9).

Even the most urbanised and densely populated countries such as **Belgium, The Netherlands** and **Luxemburg** and regions such as the Po Valley in Italy and the western part of **Germany** present high values in the diversity of natural ecosystems in their surroundings (Fig. 10).

The cause of this phenomenon can be attributed to two primary factors. Firstly, the rise in suburbanisa-

Figure 7. Diversity of natural ecosystems in EU settlements classified as city, SUAs or villages, representing national average values of an index calculated by Shannon's Diversity Index.
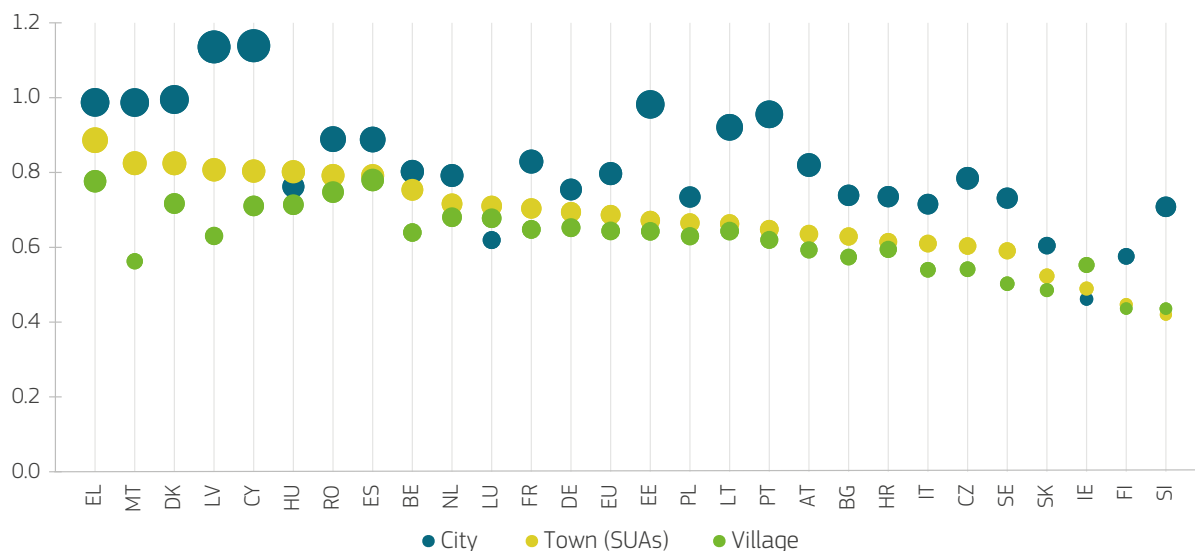
Figure 8. Diveristy of natural ecosystems in EU SUAs (top map). Country comparison of the index of natural ecosystems between cities and SUAs (bottom maps).
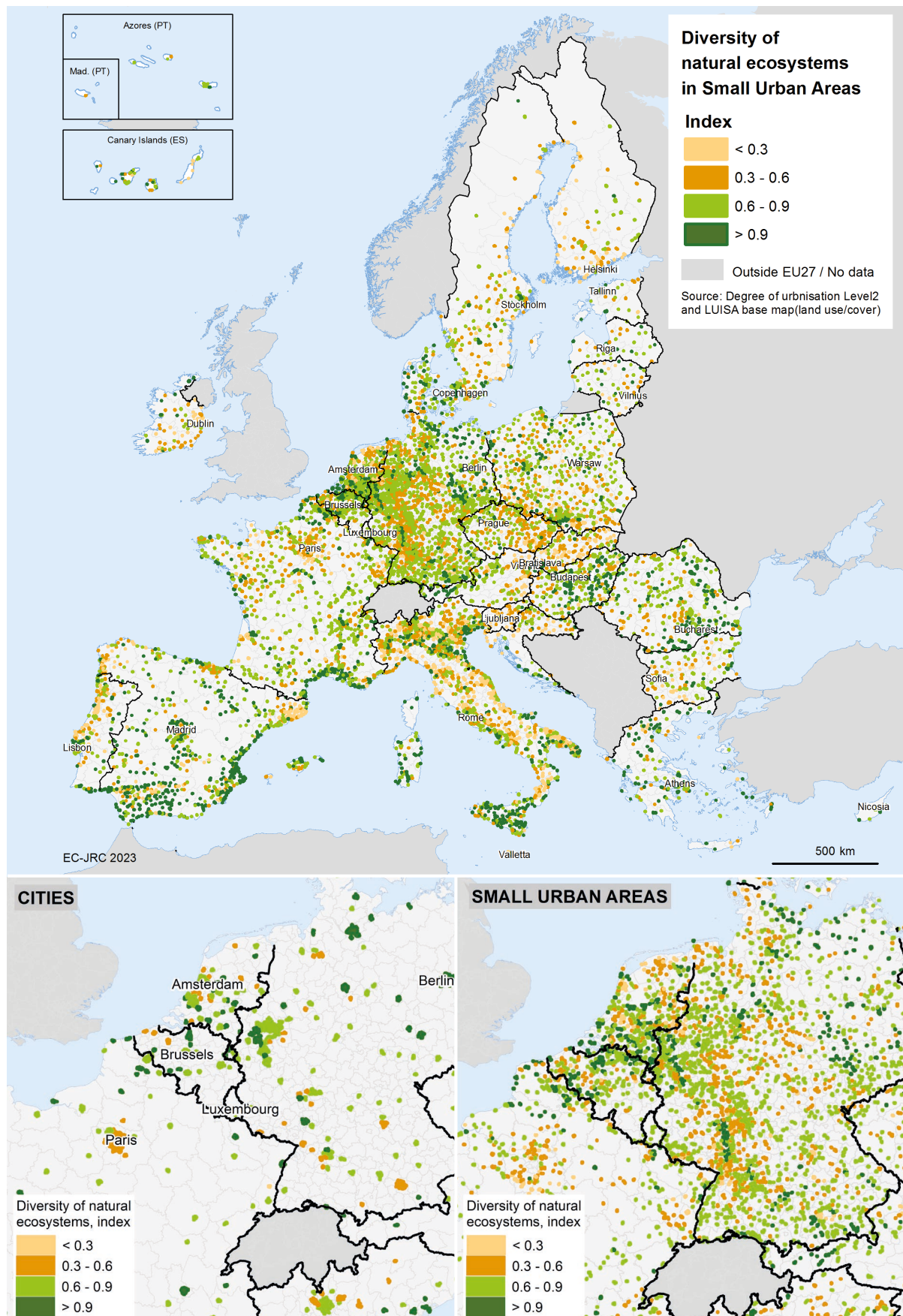
tion results in the decrease of **natural protected areas**[8] such as reservoirs, waterways, forests and parks. Secondly, the immediate surroundings of SUAs and of villages belonging to low density areas is marked by the **dominance of agricultural landscape** (not considered part of the natural ecosystem in this index).

In contrast, Łopucki et al. (2020) analyse the impact that cities of different sizes have on **nature and biodiversity** and argue that smaller cities may have the potential to maintain a high level of biodiversity compared to big cities and agglomerations and if appropriate planning is implemented (Łopucki et al., 2020). Indeed, maintaining diverse landscapes is crucial for preserving the overall biodiversity of an area, as it promotes greater species richness, ecological processes and functions (Schippers et al., 2015). In order to effectively manage conflicts between expanding urban settlements and changing land use, as well as to preserve environmental amenities and ecosystem services, it is essential to adopt appropriate territorial planning (Cattivelli, 2021) where nature is a key component. **Planning with nature** is not only significant for reducing the impact on biodiversity, but also for the positive effects it has on human health and ecosystem services (Kendal et al., 2020, Marselle et al., 2021). According to Beatley (2022), SUAs have an advantage in adopting a more comprehensive and nature-immersive approach to their built environment. This advantage is attributed to their smaller size and closer proximity to residents, which enables them to secure more explicit commitments to nature. In contrast, larger cities may find it challenging to achieve the same level of engagement with nature.

SUAs have a crucial role to play in terms of the **energy transition** – although they are still paradoxically considered as marginal actors (Di Pietro, 2022). Poggi et al. (2021) explore the potential of SUAs from three different perspectives. Firstly, their **spatial structure** (particularly that of isolated SUAs) provides a **higher capacity to generate energy from renewable sources** than more densely populated and suburbanised areas. Secondly, due to their more **direct relationship with citizens** regarding energy consumption, they can potentially provide better energy efficiency measures while taking into account the social, economic and cultural aspects related to this process. Thirdly, because SUAs need to explore and adopt **new development pathways,** energy transition strategies offer a promising local **smart specialisation** that strikes a balance between global benefits and recognition of local efforts being made. SUAs can play a significant role in the creation of a strategic framework that 'combines the appropriate siting of renewable energy development with the development of regulations for energy efficiency measures in the built environment' (Poggi et al., 2021, p. 176). This framework is part of a broader scenario whereby SUAs and their associated rural areas are part of a system that **balances energy production and consumption.**

With regards to **climate change mitigation and adaptation measures,** SUAs tend to lag behind in taking initiative compared to their bigger counterparts (Fitton et al., 2021, Otto et al., 2021). In studying 104 small and medium size cities in **Germany,** Otto et al. (2021) show that 52 % of these were considered not particularly active in taking climate adaptation measures (less active) and 92 % were considered as waiting cities[9], namely not taking any action. Buschmann et al. (2020), reveal that in Germany most small municipalities do not follow a strategic and holistic approach towards climate change adaptation. This is particularly evident amongst small and very small municipalities, where there is a clear gap between discussing climate change issues and the actual planning and implementation of climate-related measures, with some of these not even capable of differentiating between adaptation and mitigation measures (Buschmann et al., 2020). The low level of institutional capacity in dealing with climate change mitigation and adaptation measures

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8   Morén-Alegret et al. (2018) mention that the development of natural protected areas is likely to be hindered by constraints issued by landowners who perceive environmental regulations as restrictive for local and regional economic development, especially in SUAs. The underlying challenge is the requirement of having independent environmental authorities guarantee that land is not further degraded (ibid, 2018).

9   The categorisation of Otto et al. (2021) was based on an 'adaptation readiness index' characterising their level of climate adaptation activity, according to which four categories of cities were identified: (1) pioneering cities, (2) active cities, (3) less active cities and (4) waiting cities

in these municipalities is linked to their limitations in: access to data, political power, personnel and resources. (Birkmann et al., 2016, Fitton et al., 2021). A specific support for SUAs – focused on the need of increasing **funding and institutional capacity** – is therefore needed, so to close the gap against large metropolitan centres, which – as already stated – have received much higher attention and assistance in terms of both knowledge and funding (Buschmann et al. 2020).

SUAs and the digital transition

To deliver the European Green Deal, the EU aims to promote **digital transformation** and tools to enable significant changes in regards to clean energy, economy, industry, production and consumption, infrastructure, transport and other social benefits (EU Commission, 2019). Within the framework of the European Green Deal, digital technologies are seen as critical elements to attain sustainability goals. New technologies such as artificial intelligence, 5G and the internet of things can maximise the impacts of policies to tackle climate change, deliver public services and in turn improve the quality of life of EU citizens (EU Commission, 2019).

Under a territorial perspective, digitalisation is considered a key instrument to mitigate the marginalisation of some areas due to their remoteness and isolation. SUAs might play an increasingly key role

in this transition, especially if gaps are reduced through investments in services, digital technologies and connectivity (Proietti et al., 2022). Enabling residents of SUAs to leverage the benefits of the digital transformation is beneficial, it is argued, for improving their quality of life and promoting more sustainable and equitable development (Lazzeroni, 2022). Indeed, **broadband for more remote areas** provides new opportunities for supporting local income growth, opening up new markets and helping to overcome distance barriers and other societal challenges (Philip and William, 2019). Adequate access to broadband and the promotion of digital inclusion may increase the likelihood that people remain and contribute effectively to their local economy and community, reversing depopulation trends (Sostero et al., 2020). Scholars highlight the importance of service provision to curb instances of the 'geography of discontent' and reduce the feeling of being left behind (Proietti et al., 2022). Some experts view trends such as the rise of remote work and the resulting restructuring of the spatial division of labour as opportunities to reconsider the value of peripheral areas such as small towns (Lazzeroni, 2022).

Although digitalisation has a strong potential to enhance the appeal of SUAs, there are obstacles in ensuring a fair and sustainable implementation of these transitions. One main challenge, which is particularly relevant to some EU Member States, is the **connectivity gap** between central and more

Figure 9. Broadband speed (in Megabits per second) for EU settlements classified as city, SUAs or villages representing national average values in 2022.
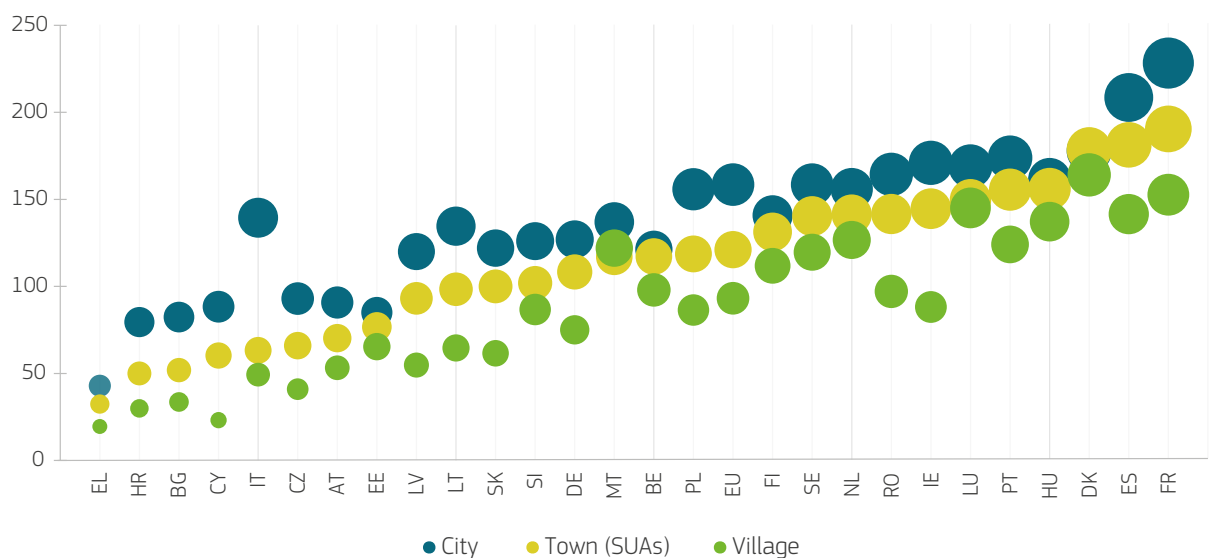
peripheral areas. This gap, often referred to as the **urban-rural digital divide,** highlights the discrepancy in accessibility to high-speed broadband networks (Proietti et al., 2022, Perpiña Castillo et al., 2022). To measure this, a local indicator was developed to assess the quality of the connection for fixed broadband networks based on speed tests during 2020 (Speedtest, 2020) and using the average download speed measured in megabits per second (Perpiña et al., 2023; Sulis et al., 2022) (see Annex I for more info).

As compared to larger cities, SUAs have less developed IT infrastructure. It is evident that the digital divide is not merely a matter of urban-rural, but mostly a matter of cities versus their counterparts. The EU average speed connection is 160 Mbps in cities, while for SUAs and villages these values drop to 120 and 93 Mbps respectively.

When comparing broadband speed at country level, significant differences can be observed among EU Member States in SUAs (Fig. 9). Whereas some countries do not meet an average speed access of at least 30 Mbps (Greece, Croatia, Bulgaria and Cyprus), others enjoy broadband connection with over 100 Mbps (very high speed) such as France, Spain, Denmark, Hungary, Portugal and Luxembourg.

Figure 10 shows a comparison between average broadband speed in cities and SUAs for fixed networks. An interesting case is **Italy,** where SUAs have a speed 2.2 times slower than those of the cities. It also zooms into the EU countries of Czech Republic, Slovenia, Slovakia, Croatia, Austria and Hungary. These maps show two different spatial patterns: when looking at cities, the broadband speed connection is generally homogenous in all the countries (left map); whereas when looking at SUAs, the situation is much more heterogeneous between countries, with high variability in terms of speed connections. Such spatial differences are more pronounced in the **Czech Republic, Austria** and **Croatia** where SUAs' speed access is mainly below 100 Mbps.

Research from the Federal Institute for Research on Building provides a detailed analysis of the situation in **Germany.** Here, the provision of high-capacity broadband (> 50 Mbps) in 2020 had a coverage rate of just over 88 % in SUAs, while one of 98 % in large cities. Similarly, the transmission speed of at least 100 Mbps only reaches 76 % in SUAs as compared to 96 % in large cities. This discrepancy is also visible between SUAs located near large cities and those in the periphery: the rate of coverage (50 Mbps) in small towns is 6 % lower than that of agglomerated SUAs (BBSR, 2022).

The connectivity gap can be further aggravated by a **lack of willingness and/or funding to digitise public services** in SUAs as well as a **bias, typical of technological innovation, that prioritises cities** (Salemink, 2022). Nowadays, these types of innovations are indeed mainly steered by private companies, which are driven by market-led principles rather than by the objectives of maximising territorial access. These companies see highly urbanised areas as much more profitable markets than smaller or isolated settlements (Salemink, 2022). In this context, the digitalisation of society is reinforcing, rather than decreasing, spatial disparities between large centres and smaller settlement types (Salemink, 2022).

A second bottleneck deals with population differences in terms of **digital skills,** adoption and usage – all of which are heavily influenced by social, economic, demographic and cultural factors (Salemink, 2022). Indeed, the transition towards the digitalisation of SUAs involves not only technological development, but also the changing and evolving roles of citizens, service providers and local authorities. SUAs' population presents a widespread lack of IT skills in some demographic groups, with 42 % of those aged 25-64 having below-basic digital skills and with 14 % having no digital skills (Centeno et al., 2022).

Finally, it can be said that the degree of digitalisation of a place – and with that the ability of a place to become 'smart' – is an outcome of a multi-faceted and multi-level process (Ruohomaa et al., 2019, Salemink 2022). In order to fully capitalise on its advantages, beyond digital connectivity, it is crucial to tackle aspects such as digital literacy, cultural acceptance and the ability of local governments to deliver change. This necessitates recognising and addressing the diverse disparities within and among communities that exist within territories (Lazzeroni, 2022, Centeno et al., 2022).

Figure 10. Avarage broadband speed for EU SUAs at the local level (top map). Country comparison of the broadband speed between cities and SUAs (bottom maps).
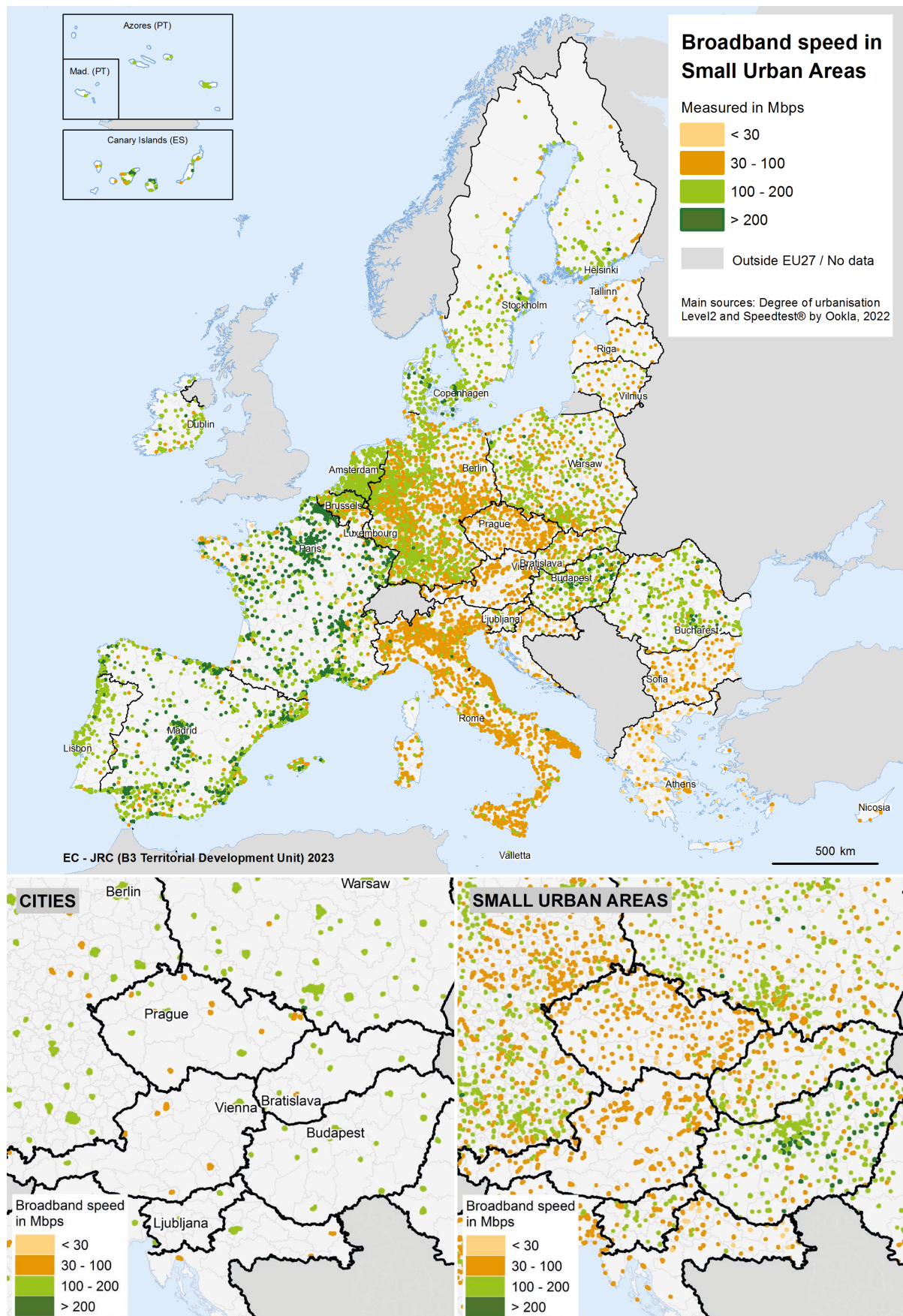
5.2 Small Urban Areas' government capacity

Institutions are vital in determining a territory's development potential and weak institutions and poor-quality government are significant obstacles to development (Rodriguez-Pose, 2013). In fact, in the case of Europe it has become increasingly clear that many regions and cities that are lagging behind or declining have weaker institutions (Iammarino, Rodriguez-Pose and Storper, 2019). Improving government capacity is therefore a prerequisite for overcoming development traps (ibid.).

In general, SUAs have limited government capacities compared to those found in bigger cities (CoR et al., 2022). SUAs face a myriad of challenges that make it difficult to carry out many management tasks, especially those linked to sustainable urban development and just green and digital transitions (ibid.). Such shortfalls are mainly due to two complementary reasons: the **lack of financial resources** (i.e. their own weak financial resources and their difficulty in accessing external financial resources) and the limited **administrative and institutional capacity** (legal competencies, collaboration capacities with local players and neighbouring municipalities, leadership capacity, management of change, etc.).

SUAs tend indeed to **lack local funding** and remain heavily reliant on national funds (Servillo et al., 2014). The constrained financial resources are a result of the progressive weakening of local governments' economic and financial foundations. This problem is compounded by inadequate institutional capacity of local government units to manage development processes efficiently and effectively (Kaufmann and Wittwer, 2022). The competitive position of these areas is thus likely to continue deteriorating and their involvement in development processes – particularly those concerning living conditions and economic attractiveness – is likely to decrease. Additionally, while funding availability may not always be a problem, there is no guarantee that SUAs have the capacity to access and utilise the funds effectively (CoR et al., 2022).

Limited financial capacity and limited human resources go hand in hand and are mutually reinforcing. Cuts to the financial resources of SUA administrations – promoted by austerity policies (as seen in section 4.4 for France) – have imposed a strong reduction to their labour force. In **Italy,** for instance, municipalities lost 110 000 employees between 2007 and 2021 – almost one quarter of their total workforce – with these cuts affecting mainly small and medium municipalities (IFEL, 2023). Such resizing of internal employment has been accompanied by trends to outsource many services, undermining the capacity of current employees to adapt to the increasing complexity of tasks and to changing working environments (such as changes involved in the digital transition) (CoR et al., 2022). These limitations have hampered an appropriate turnover of public civil servants, where the retirement of administrative personnel is combined with an increasing shortage of workers willing to choose a civil servant career. While initially outsourcing was seen as a possible solution to this problem, nowadays such shifts within local administrations are seen to affect the capacity of SUAs' governments to set-up meaningful and adequate rules of the game in order to facilitate and guarantee the development of transformative practices in their territories (Barca, 2019).

Because their financial and human resources are generally limited, SUAs' capacity to collaborate efficiently is crucial. In such situations, SUAs have all to gain from developing new and exciting approaches to **collaboration and partnership** (Kaufmann and Wittwer, 2022). Thanks to their relatively small size, SUAs are believed to play a crucial role in **participatory democracy,** as municipal administrations are likely to be closer to citizens as compared to larger cities (Lazzeroni, 2022). The **Polish** NUP 2023 points to the particular conditions for public participation in SUAs, as lower anonymity of residents and strong bonds among neighbours may be conducive to taking action in responding to urban issues and organising bottom-up social movements. However, while cooperation among neighbouring municipalities is increasingly implemented by virtue of cooperation schemes (such as the Integrated Territorial

Investments (ITIs) under the EU Cohesion Policy[10]), **multi-level governance and partnerships** as well as civil engagements arrangements are still lagging behind in several SUAs in Europe (CoR et al., 2022).

To overcome these barriers, it becomes pivotal to create governance models based on multilevel-multi-stakeholder platforms rooted in local specificities, and to enhance the investment of regional, national and European administrations in SUAs in terms of both financial and human capital resources (Barca, 2019).

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10   Introduced in the Common Provision Regulation (CPR), Integrated Territorial Investment (ITI) is a tool facilitating access to funding for territorial strategies and promoting place-based policy-making (for more info see section 7).

PART II.
Five policy approaches to turn the tide

Small Urban Areas
as active proponents of sustainable urban development

As already stated in this report, SUAs are not simply smaller versions of large cities, but settlements with specific features that distinguish them from other types of urban areas. In line with this, we have seen how SUAs face specific challenges – in particular those linked to the vicious circle of shrinkage –that hinder their development. The diversity of SUAs in terms of settlement structure, functional roles and degrees of decline make it challenging to develop overarching recipes for SUA development pathways, even among those with similar territorial contexts (Atkinson, 2019).

Despite suffering from specific and varied weaknesses, SUAs are dynamic proponents of sustainable urban development. SUAs across the EU are active in putting forward different policy approaches conceived to tackle these very challenges. As such, this section of the report identifies the **main categories of policy approaches** promoted by SUAs, providing **concrete examples** that can be inspirational for other SUAs.

In order to identify policy approaches promoted by SUAs, we analysed several **existing databases of projects and good practices** in urban development. Only in a few exceptional cases were we able to identify networks or initiatives that specifically target SUAs (such as the Cittaslow[11] network and

11   https://www.cittaslow.org

the European Green Leaf Awards[12] initiative). In the majority of cases, we analysed a more broad collection of practices and isolated within them those that were specifically promoted by or within SUAs. These include: URBACT[13], Urban Innovative Actions (UIA)[14], the Urban Agenda Partnerships[15], the New European Bauhaus[16], the European Covenant of Mayors[17], the Territorial Agenda 2030[18], as well as other specific EU projects gathering innovative urban solutions such as VARCITIES[19] and the FUTURE project[20]. Empirical literatures and studies complement this collection of inspirational cases.

Our analysis reveals that the initiatives promoted by SUAs are characterised by some prominent patterns. This allows us to identify five main categories of policy approaches that can be used to tackle the vicious circle of shrinkage, raise the quality of life of citizens and of their living environment and trigger a sustainable and harmonious development of their territory. The five categories of policy approaches are listed here below.

1. Re-activating places for people and community.
2. Re-discovering uniqueness.
3. Re-connecting with nature
   for a sustainable future.
4. Re-inventing smart public services.
5. Re-imaging governance and partnerships.

The categories of policy approaches are not sectoral. On the contrary, based on the principle that urban policy is per se integrated, they are multidimensional, touching upon different policy areas.

As a final note, it is worth noticing that in several cases the initiatives collected seem to be, more than 'tailored', just 'adapted' to the territorial specificity of SUAs. This is probably due to the fact that several of the umbrellas under which those projects were promoted have broader scopes. It remains an open challenge then, to incentivise frameworks that could acknowledge the unique circumstance of SUAs, enabling them to flourish with more innovative, place-based, bottom-up approaches.

6.1 Re-activating places for people and community

The 're-activating places for people and community' approach involves the regeneration of the existing built environment, which is especially important in the context of shrinking towns characterised by the presence of underused or vacant land and buildings. The approach is based on the rationale that introducing direct changes into the urban built environment of a place enables the improvement of the socio-economic conditions of the local population and its community. In this context, the sustainable use of land and the improved performance of buildings and infrastructures are seen as the entrance points for new urban scenarios (URBAN AGENDA, 2020). The approach is intrinsically integrated in the sense that it envisages the mix of hard and soft policy measures and touches upon different policy sectors.

Although this approach can be considered quite traditional, more recently it has assumed new connotations from the viewpoint of social innovation. Particularly in southern European cities, the long-term perspective on the re-use of vacant land and spaces is based on self-organisational experiences supported by the theory of the commons, which provides both ideological-theoretical arguments and legal and policy tools for the civic repurposing of vacant spaces (Urban Agenda 2020). On the other hand, northwest and central European cities have been witnessing a rising trend of novel financial and legal

12   https://environment.ec.europa.eu/topics/urban-environment/european-green-leaf-award_en

13   https://urbact.eu

14   https://www.uia-initiative.eu/en

15   https://ec.europa.eu/futurium/en/urban-agenda-eu/what-urban-agenda-eu.html

16   https://new-european-bauhaus.europa.eu/index_en

17   https://eu-mayors.ec.europa.eu/en/home

18   https://territorialagenda.eu/ta2030

19   https://www.varcities.eu

20   https://futureregeneration.eu

tools, ownership and procurement models to enable the repurposing of vacant or underutilised spaces in a community-led, non-speculative manner (ibid.).

This approach is characterised, on the one hand, by the actual regeneration of the physical fabric of the SUA, while on the other, on the activation of those places through the assignation of a specific function in favour of – and through cooperation with – the local community and population. The Urban Agenda[21] identifies four different phases linked to the operationalisation of the reactivation approach at the local level:

i.   'Mapping and exploration of empty and underused properties and creation of an inventory explicating ownership and type of building;

ii. Activating, envisioning, experimenting, with the definition of the incentives for people to participate to the collection of bottom-up ideas for the re-use of vacant properties though transparent and inclusive participatory processes

iii. Decision-making and financing, based on the measurement of the public usefulness of potential new functions considering economic and social impact of different alternatives of use and creation of links between the new ideas for re-use and the general urban development strategy;

iv. Monitoring and evaluation, with the creation of a feedback mechanism for regular revision and potential modification of the strategy' (Urban Agenda 2020, p.12)

The above steps are founded on the acknowledgement of the necessity to contemplate the re-activation process beyond the mere physical regeneration of the urban fabric. Limiting the interventions solely to the refurbishment/renovation of the urban construct fails to transform the self-reinforcing dynamics of the persistent socioeconomic decline and the linked effects on the deterioration of the built environment. In fact, the specificity of SUAs necessitates the activation of particular social structures, linked to the establishment of innovative economic mechanisms, as indispensable components for successfully implementing the reactivation approach.

Very often the process of reactivation gets the best results 'when it is born in close collaboration with a number of local realities (cultural, social, etc.), who do not think with the logic of urban renewal linked to the real estate market, but they are focused on giving effective answers to local and specific needs that can improve the quality of life of the surrounding communities' (Urban Agenda, 2021, p.3).

While this approach is rooted in the shared concept of reactivation as a series of initiatives designed to optimize the benefits arising from increased social, cultural, environmental and economic outcomes (Jaszczak et al., 2021), its execution can play out in diverse forms depending on the specific set of actions taken. Three main categories of actions may be identified: **(i)** the re-functionalisation of public built environment; **(ii)** the regeneration of the housing stock and private assets; **(iii)** the re-appropriation of urban public space.

The re-functionalisation of public built environment

At the local level, the re-functionalisation approach is translated into activities where the regeneration of empty premises and underused sites (e.g. cultural, industrial and military heritage) is driven towards the creation of civic community centres, knowledge and technological parks, as well as schools and other educational and supporting facilities such as business incubators. Examples includes small actions like those in **Idrija (Slovenia)** where the municipality offered a vacant building to house its 'Town Living Rooms': here, heads of the city administration, active citizens, social services, the development agency, public library and nursing home, as well as various local associations can connect in order to take collective decisions for the city. On the other hand, activities linked to this approach may also involve more prominent investments such as the case of **Sigulda (Latvia),** which turned its Castle Complex into a creative quarter and a place where creative entrepreneurships can successfully develop; in **Telšiai (Lithuania),** the city developed a plan to reactivate a military brownfield of 17 hectares containing Soviet

Army buildings into a place where business development and 'urban creativity' becomes an engine to strengthen the local culture and the quality of life of people who decide to live in Telšiai.

In order to develop an effective re-functionalisation approach, it is necessary not only to develop a comprehensive and integrated local policy strategy, but also to ensure the effective involvement of local agents and coordination mechanisms between several layers of governments (Jaszczak et al., 2021, Morison, 2021, Urban Agenda, 2020). Indeed, creating the framework for local place-based initiatives is an essential precondition for fostering local actions. In **France,** the national government developed an approach based on the so-called 'third places' defined by the re-functionalisation of physical spaces into places for public engagement; they did so by providing 'coworking, new-generation, local cultural platforms, connected campuses, shared workshops, FabLabs, (…), culture factories, public service centres' (Agence Nationale de la Cohésion des Territoires, 2022). The development of 'third places' includes governmental measures such as technical and vocational lifelong trainings and other complementary actions such as internships and supporting incubators of entrepreneurship and start-ups to highly educated young professionals in SUAs. Similarly, the French Small Towns of Tomorrow project aims to support SUAs that perform core functions (e.g. employment, housing, services and facilities), through the preservation of heritage, especially with the revitalisation and economic attractiveness of territories. Differently, **Austria** is addressing the trend of multilocality – where individuals live and work in multiple locations – by repurposing tourism infrastructure into secondary residences to accommodate this new lifestyle in SUAs (Austrian Spatial Development Concept, 2021).

The regeneration of private assets and housing stock

As the decay and abandonment of the built environment is not a matter relating only to publicly owned buildings and infrastructures, the reactivation of private assets, both in terms of housing and commercial premises, is another key dimension to ensure an improvement in the quality of life of inhabitants in SUAs. Vacant commercial spaces in the city of

Melgaço **(Portugal)** have been seen as a significant resource to reactivate the city centre, which for too long was afflicted by the loss of economic activities and population decline. The city has developed an innovative mechanism called the Melgaço Pop-up Shop that allows start-ups and young entrepreneurs to rent the spaces for a symbolic price of EUR 1, giving them time and more favourable conditions to develop their business while cutting their operating costs. This aims to bring new economic activities to the city centre and to foster entrepreneurship in the local population.

The housing stock is an additional pivotal factor in this regard, as its deterioration is the principal reason affecting the quality of life of citizens. In the case of **Aradippou (Greece),** the municipality developed a financial scheme based on a combination of public and private funds that helped citizens in the refurbishment of their housing, also adopting energy efficiency and photovoltaic solar panel solutions. Moreover, having identified that the energy refurbishment process is unclear for homeowners, Aradippou is also working with various public and commercial partners to set up a comprehensive 'one-stop-shop' service: a single location where the city administration can accompany citizens through every step of their energy efficiency renovation process. The one-stop-shop currently performs pilot actions targeting a small number of houses (approximately 50 houses within the first six months). In **Echirolles (France)** such an approach to housing renovation through energy refurbishment has been developed for its social housing stock, with the aim of reducing energy consumption through the monitoring and modification of the practices and habits of residents.

The reactivation of SUAs is not always a neutral process, as it affects different parts of the city, primarily marginalised areas and places requiring interventions, and has an impact on the socio-economic makeup of the local population (Jaszczak et al., 2021). Such a lack of neutrality may result in an increased risk of gentrification processes instead of promoting social cohesion in urban areas. A good example comes from the city of **Vaulx-en-Velin (France),** a town part of Greater Lyon with 40 000 inhabitants, which has developed a strategy focusing on fighting possible processes of gentrification led by the regeneration of the housing supply. Through

its 'Urban Contract for Social Cohesion', the city is promoting the creation of a variety of housing typologies, with the main objective of encouraging a broader social mix. Another example of reactivation for the most vulnerable groups is found in **Nagykálló (Hungary),** where the city is trying to gradually integrate the Roma population (representing 13-15 % of the total inhabitants) in its local community through the provision of affordable and decent housing conditions, together with complementary activities related to employment, culture and leisure.

The re-appropriation of the urban public space

Another dimension of the reactivation approach is linked to the re-appropriation of the public spaces from cars in favour of pedestrian use and soft-mobility. Although mainly taking place in larger urban areas, recently momentum is growing also in SUAs, recognising the need to redevelop public space under a less car-centric outlook. Those practices are usually implemented through co-designing activities involving local citizens and stakeholders, where – by using the lens of pedestrians – the city seeks to imagine the urban open spaces as safer places to encourage in-first-person activation of citizens, where people can share, socialise and build a stronger

sense of community (Moro, 2021). In **Slovenia,** the town of **Ljutomer** promoted a series of soft mobility measures aiming to reduce the negative impacts of motorised traffic and to reduce the number of car trips used to cover short distances by increasing the share of active-means of transportation. The programme plans several awareness-raising, promotional and communication campaigns/activities for different target groups (in nurseries, primary schools, secondary schools, local organisations and companies) to reach all citizens. A part from reducing the number of vehicles per 100 inhabitants, another key objective is the re-appropriation of the public space and the stop to the planning and construction of new parking spots. A similar approach is taken by **Morneà-l'Eau (France)** and its project Éco-Quartier 'Heart of Grippon' project. As the municipality faces many problems with mobility in its territory – especially in the town centre – it is now delivering several interventions to its built environment in order to reduce the centrality of the car to benefit pedestrians, cyclists, people with reduced mobility and people with disabilities. In particular, the municipal government is increasing the share and quality of infrastructure like sidewalks and bicycle paths, accompanied by behavioural change activities aiming at promoting the decarbonisation of the captive fleet and the share of particular vehicles in the Éco-Quartier.

Inspire yourself. Re-activating places for people and community.

Policy approaches	Small Urban Area	Country	Source	Link
Re-activating places for people and community	Idrija	Slovenia	URBACT	*https://archive.urbact.eu/creation-new-ngo-platform-0*
	Sigulda	Latvia	URBACT	*https://archive.urbact.eu/sites/default/files/20190524_oif_sigulda_final.pdf*
	Telšiai	Lithuania	URBACT	*https://archive.urbact.eu/sites/default/files/maps_iap_telsiai.pdf*
	Melgaço	Portugal	URBAN AGENDA	*https://futurium.ec.europa.eu/sites/default/files/2021-10/CCH%20-%20 A4%20-%20Toolkit%20-%20Without%20Annex.pdf#page=42*
	Aradippou	Greece	EU COVENANT OF MAYORS	*https://eu-mayors.ec.europa.eu/sites/default/files/2022-10/covenant_ case%20study_aradippou_2019.pdf*
	Echirolles	France	URBACT	*https://archive.urbact.eu/sites/default/files/lap_v3_echirolles_france_ nov2012.pdf*
	Vaulx-en-Velin	France	URBACT	*https://archive.urbact.eu/sites/default/files/import/Projects/CoNet/outputs_ media/CoNet_s_Guide_to_Social_Cohesion_01.pdf*
	Nagykálló	Hungary	URBACT	*https://archive.urbact.eu/sites/default/files/import/Projects/Roma_Net/ documents_media/The_Local_Action_Plan_of_Nagykallo.pdf*
	Ljutomer	Slovenia	URBACT	*https://archive.urbact.eu/sites/default/files/import/Projects/Active_Travel_ Network/documents_media/final_brochure_end2_korr_kl_01.pdf*
	Morne-à-l'Eau	France	URBACT	*https://archive.urbact.eu/sites/default/files/network_final_product.pdf*

6.2 Re-discovering uniqueness

The 're-discovering uniqueness' approach encompasses all those actions characterised by the willingness of SUAs to capitalise on endogenous local assets linked to the specificity of their territories. Such processes may take the path of rebranding their territorial image towards new development narratives, wagering on the 'urban distinctiveness' of their cultural values and heritage assets or emphasising their intrinsic smallness and geographical marginality as leverage for more authentic, healthy and closer-to-nature lifestyles. This approach seeks to combat, rather than adapt to, SUAs' structural socio-economic decline by increasing the attractiveness of their urban areas and reframing them as worthy destinations to live in, work and visit. Being the losers of the uneven territorial battle generated by globalisation and economies of agglomeration, the rediscovering uniqueness approach seems to represent – for some of SUAs – the sole, necessary and suitable redemption to reposition themselves inside the global economy, escaping the status of 'places that do not matter' by becoming 'places that matter for a specific, unique territorial milieu'.

A SUA's ability to focus on territorial specificities is, however, strictly linked with its historical development path. A particular case is that of productive SUAs, once centres of manufacturing industries, which are usually locked into their socio-economic and cultural path dependency linked to their highly-specialised industrial past. Scholars have attributed weaker competitive traits to such SUAs, compared to other 'less specialised' areas or larger urban centres. These attributes are often linked to 'conservative attitudes and nostalgic attachment to the past' (Lazzeroni 2022, p.63). Productive SUAs show limited capacities in adapting to neoliberal economic practices that include, for example, flexible, informal and more precarious employment – all of which contrast starkly to their typical Fordist organisation of society characterised by regulated work, strong State control and separation of work and leisure. (Bole, 2022).

There are several examples of SUAs trying to revert this path by highlighting their industrial character as an added value rather than as a barrier to development. Apart from the typical activities of investing

in their industrial built heritage (see section 6.1), this approach calls for recognising the role of intangible assets (related to the specific political, social, spatial and cultural dynamics of SUAs' past industrial character) as a necessary aspect for reimaging new post-industrial identities. (Lazzeroni, 2022, Bole, 2022).

Investing in sustainable tourism infrastructures and culture

Culture and tourism are often considered as viable pathways for SUAs to break free from the vicious decline associated with their post-industrial identity. These two activities are closely intertwined in the pursuit of strategies aimed at showcasing the local environment of SUAs. The underlying principle of these initiatives is that cultural resources, and the subsequent attention they attract, can promote economic growth and foster diversification by drawing in external catalysts of change. In this context, SUAs may 'represent the ideal context where tourists and local communities may more eagerly interact, providing a fruitful economic and cultural exchange, which maintains and renews local productive assets' (Rabbiosi and Ioannides, 2022, p. 120).

A case in point is **Volterra (Italy)** in Tuscany, a town with a historical specialisation in the extraction and processing of alabaster that has reinvented itself by enhancing its rich artistic and landscape heritage (Lazzeroni, 2022). The highly industrialised German town of **Altena (Germany)** – famous for the production of steel wire – provides another good example of the development of a local tourism concept. Having faced decades of strong decline (linked to the loss of inhabitants and the departure of key businesses), the local authority decided to focus on developing strategies for sustainable tourism. It built as a main local city attraction an elevator linking the old historical castle with the town centre, while also on envisaging the installation of economic activities recalling the traditional artisanal crafts practices in the empty shops of the town.

These types of interventions do not apply only to SUAs associated with a strong industrial past, but may function as a successful exit path for the underdevelopment trap faced by many SUAs with no specific path dependency specialisations (Rabbiosi

and Ioannides, 2022). The development of cultural tourism is indeed believed to contribute to the preservation of environmental assets, cultural heritage and identity, with the underlying creation of new jobs and potential additional sources of income for SUA residents (Hrehorowicz-Gaber, 2019). In the town of **Tykocin (Poland),** for example, the local administration has decided to restore their heritage, turning it into tourism infrastructure (e.g. museum, ballroom and hotel facilities) (Klusáková and Brzzowska, 2019) and by creating a development plan mainly focusing on raising historical consciousness and local identity.

The development of cultural and thematic routes, such as those found in **Prudnik (Poland)** where several SUAs are connected along a multi-purpose trail, generate a unique tourist attraction. These types of initiatives (El Camino de Santiago in Spain being the most iconic case) usually represent an interesting approach for improving and/or creating from scratch the touristic culture of towns (Rabbiosi and Ioannides, 2022) by fostering the opening of new economic activities such as restaurants, holiday farms, shops, camping spots and rest areas.

Territorial branding as a trigger for new development narratives

Another key dimension related to the creative rediscovery process is found in territorial branding initiatives linking the image of SUAs to an identifiable, exclusive narrative of development. This, for instance, has been the example of **Fermo (Italy)** with the development of its 'Fermo Retail Experience'. In an attempt to revitalise its historical centre, the municipality has supported the creation of a vision positioning Fermo as the go-to-place for experiencing high quality shopping, and in turn valorising the territory's industrial production and its historical and cultural assets. The plan is based on an integrated approach including actions to set up monitoring and evaluation of the performance of the local retail sector, improving accessibility to the city centre, and increasing the inclusion of retailers in the planning of cultural and promotional events of the town.

Another outstanding case of territorial branding is found in **Baena (Spain),** which places food production and cultivation at the centre of its development vision. The municipality has promoted itself as the 'European Capital of Olive Oil' with the aim of reinforcing the local agri-food sector through the promotion of more diversified, healthy and ecological agricultural production. In addition to its highly-specialised agricultural advertisement strategy, Baena has taken a series of steps to facilitate contact between local producers and consumers, thus encouraging a 'buy-local approach' that has been particularly beneficial for its small local shops.

The setting up of territorial branding initiatives is also promoted by programmes and initiatives at the international level, as demonstrated by the examples of UNESCO's Creative Cities Network, the European Capital of Culture (ECoC) and the European Green Capital/Leaf Awards. These initiatives are used as a branding instrument for territories aiming to create a strong identity of the towns at both international and local level and, in turn, attract investors and tourists interested in that specific field (Rabbiosi and Ioannides, 2022). The town of **Östersund (Sweden),** with a population of nearly 50 000, is a prime example of such branding. This small town, situated in the sparsely populated county of Jämtland, has been designated as the UNESCO City of Gastronomy due to its renowned gastronomic culture. Östersund's culinary tradition is rooted in local, sustainable food that is inspired by longstanding culinary practices, tied to the surrounding natural environment and the region's efforts towards sustainable development. Thanks to this recognition, the municipality, with the support of the Eldrimner,[22] has established several activities stimulating local entrepreneurs and farmers to develop innovative businesses linking gastronomy and creative industry as a way of fostering local development processes.

Transitioning towards the knowledge economy

While some communities can capitalise on their proximity to natural amenities (e.g., coasts or pristine mountain regions) or their historical and cultural assets, several declining European SUAs are forced to creatively reinvent themselves (Rabbiosi and Ioannides, 2022). In this regard, the development

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22   Swedish National Centre for Small Scale Artisan Food Processing.

of knowledge-based economic activity is another dimension of the approaches related to the discovery of SUA uniqueness. Such activities may take the form of: the building of specific knowledge-based clusters; the establishment of higher education and research institutions; the creation of an ecosystem that fosters entrepreneurship through improved offers supporting services to business, lowering professional taxes, and increasing subsidies to targeted businesses (Servillo et al., 2014). In the Polish context, in order to counterbalance SUAs' industrial decline, the national authority has pushed towards the promotion and strengthening of a diverse and high-quality offer of educational institutions, including sports, art schools and secondary and higher vocational schools (Polish Ministry of Economic Development, 2016). The idea underlying these solutions is that the enhancement of knowledge-based activities and education is an important driver to counteract and retain human capital while sustaining SUAs' economic development.

Departing from these more traditional and generic solutions, some SUAs have decided to bet on highly-specialised and high-tech industries as a way to re-imagine their future development path. Examples include the small industrial towns in Spain's 'Toy Valley' (Bole, 2022) and the small municipality of **Novska (Croatia),** which in 2016 decided to invest heavily in growing a local gaming industry driven by local entrepreneurs and start-ups. More specifically, the Regional Development Agency (SIMORA) – faced with high levels of unemployment and outmigration of young people – opened the doors of the town to a gaming incubator called PISMO. This small city is now home to more than 60 gaming start-ups and has an enviable suite of gaming equipment (including a motion capture studio, VR equipment and music and video studios) available to entrepreneurs to facilitate their development and growth. The incubator offers a range of start-up support services including grants, office and event space, mentorship, marketing and events to enable local entrepreneurs to start and scale gaming companies. The local and regional authorities have also developed a series of education, training and curriculum-based interventions that they hope will grow local talent and encourage young people to stay in the city rather than relocate to nearby Zagreb or internationally. This includes workshops for high school pupils, integration of gaming development technician training into the curriculum and paid 6-month education programmes to support gaming development for local unemployed people.

Inspire yourself. Re-discover Uniqueness.

Policy approaches	Small Urban Area	Country	Source	Link
Re-discover Uniqueness	Volterra	Italy	Lazzeroni (2022)	*https://www.elgaronline.com/abstract/book/9781800887121/book-part-9781800887121-9.xml*
	Altena	Germany	URBACT	*https://archive.urbact.eu/altena*
	Tykocin	Poland	Hrehorowicz-Gaber (2019)	*https://iopscience.iop.org/article/10.1088/1757-899X/471/11/112022/pdf*
	Prudnik	Poland	Hrehorowicz-Gaber (2019)	*https://iopscience.iop.org/article/10.1088/1757-899X/471/11/112022/pdf*
	Fermo	Italy	URBACT	*https://keep.eu/api/project-attachment/2369/get_file*
	Baena	Spain	URBACT	*https://archive.urbact.eu/sites/default/files/agri-urban_iap_baena_en_summary.pdf*
	Östersund	Sweden	CREATIVE CITIES NETWORK	*https://en.unesco.org/creative-cities/ostersund*
	Novska	Croatia	URBACT	*https://archive.urbact.eu/novska*

6.3 Re-connecting with nature for a sustainable future

There is a growing awareness of the value of nature in addressing environmental, social and economic challenges, in particular at the local level. Re-connecting with nature for the climate is a policy approach particularly relevant for SUAs as it is more and more presented as a significant path for re-imagining new types of territorial and urban development futures, sometimes positively distant to those economic dynamics of agglomeration that have caused their decline. This approach consists of a variety of interrelated but complementary initiatives, including measures aimed at (i) creatively 'greening' for the benefit of citizens and the community, (ii) using physical and natural assets of SUAs to address the growing climate crisis, and (iii) promoting a transition to a more resource-efficient, inclusive and sustainable local development.

Nature-led regeneration and climate change adaptation

This line of intervention includes activities that have similarities to those in the 'reactivating places' approach. However, in this case, the core of the revitalisation is strictly anchored to the deployment of nature, green-infrastructures and nature-based solutions, such as the creation of new parks and green areas in former industrial sites, community gardens, the restoration of natural habitats and urban rewilding (Vargas-Hernández and Hammer, 2022).

In this scenario, abandoned areas or deteriorated urban structures are particularly inclined to transition into 'green innovation zones' (Pallagast et al., 2019). These zones are described as locations that utilise natural resources to address the social, ecological and economic requirements of their communities through sustainable land-use allocation and long-term land-use planning (ibid). They can perform innovative functions in terms of bioeconomic uses, safeguard food and energy production, as well as simply provide valuable space for social activity in a close relationship with nature (Vargas-Hernández and Hammer, 2022).

Interesting cases in this sense are the pilot projects belonging to the **VARCITIES EU project,** which are using nature-based solutions and re-naturalisation practices with the idea of creating fully human-centred small urban areas. For instance, the SUA **Skellefteå (Sweden)** located along the coast to the Gulf of Bothnia is planning to develop a green residential and educational area in an old landfill site located a few kilometres away from the city centre, by implementing a series of green and blue solutions. As the main challenges faced in this area is the handling of stormwater, the project aims to create a wetland bed by allowing the new green space area to be partially flooded and to foster planting of indigenous species, so as to increase the biodiversity of the site. Moreover, the project foresees educational and awareness-raising activities through interactive solutions aiming at educating and engaging citizens. It also plans for the creation of open-air classrooms offering classes to young students in natural settings by using tools such as a bee hotels/insect habitat.

Another example of a nature-led regeneration approach is found in **Dundalk (Ireland),** where the administration aims to create an 'Outdoor Learning Hub' within the courtyard area of the County Library/Museum Quarter. The regeneration of this area aims to assist in the creation of a diverse, accessible, safe, inclusive and high–quality green area that envisions increasing well-being and health and deliver a fair and equitable distribution of the associated benefits. It includes the establishment of an outdoor urban green learning and sensory garden with the installation of a rainwater harvesting system and new Internet of Things (IOT) solutions and digital tools offering green lessons learned and information to visitors and inhabitants. A more nature-intense approach is taken by the city of **Karlovac** (Croatia), which is looking to transform its Luščić neighbourhood into a self-sustainable and circular space producing energy, food, knowledge and new levels of urbanity for the surrounding areas. Luščić is envisioned as an immersive experience in which human-made and natural components coexist to create a hybrid urban-natural ecosystem with a distinct, forest-like ambiance.

Although as aforementioned SUAs generally have lower capacities and available resources to deal with climate change issues (see section 5.1), they are seen to be increasingly using nature as a prominent

solution to climate change adaptation measures. An example is the Natural Water Retention Measures (NWRMs) developed in the Italian municipalities of **Santorso** and **Marano Vicentino (Italy).** As part of the 'Altovicentino Mayors Adapt Strategy' and thanks to the funding of the BEWARE project, the municipalities developed several targeted measures for sustainable rainfall management, amongst which:

- a bioretention area and a rain garden in the main square of the city of Santorso, used to collect rainwater flowing across the impermeable asphalt of the carpark;
- a sustainable urban drainage system for rainwater including rain gardens, drainage paving and a tree-lined swale at the Marano Vicentino primary school;
- a water retention basin to collect rainwater, slow down and preserve its flow downstream and provide a water resource for farming activities in the agricultural area around.

A transition towards low-carbon energy systems

For what concerns climate change mitigation practices, the presence of brownfields in declining and shrinking SUAs could represent an important asset for undertaking integral urban renovation based on an energy transition approach (Di Pietro, 2021). A significant example is shown by the urban renovation programme implemented by the city of **Vitry le François (France).** Here the city is implementing 33 projects that include a biomass heating system, industrial ecology, renewable energy production, production of hydrogen as transport fuel, energy efficiency and waste management (Di Pietro, 2021). This has been possible thanks to an integrated renewal project developed in a partnership between the city administration and the social housing management company 'Vitry Habitat', which provides 54 % of the social housing in the town. At the same time, an agreement has been established between the electric utility company Electricité De France (EDF) and the municipalities, so as to use its brownfield lands as an experimental laboratory for future large-scale interventions linked to sustainable development (Di Pietro, 2021).

Another important aspect of the transition towards a lower carbon energy system is the localisation of energy production and the emergence of new business models that rely on community cooperatives or individual prosumers[23]. These innovative models, which are particularly beneficial for SUAs, help balance local benefits with climate and environmental goals (Poggi et al., 2021; Di Pietro, 2021). First, because these models represent an innovative and alternative way for reactivating the social fabric of these territories. Second, these models have the potential to provide direct benefits to citizens by increasing energy efficiency, lowering their electricity bills, creating local job opportunities and representing possible sources of revenues for the municipality. Last but not least, they contribute to increasing public acceptance of renewable energy projects and make it easier to attract private investments (EU Commission website). According to Wierling et al. (2023), there are more than 10 000 citizen-led energy actions in Europe. An interesting example of such citizen-led energy action is found in **Križevci (Croatia).** In 2018, the municipality started the first pilot project for citizen crowd investing in renewable energies in Croatia; the project envisioned the installation of a solar panel (PV) power plant on the rooftop of the municipality's Development Centre and its Technology Park administrative building. The financing of the power plant started with a successful fundraising campaign that included 53 investors with an average investment of EUR 500, raising a total of EUR 31 000 for a 30 kW PV plant. The campaign managed to collect the total amount of money needed in only ten days. A follow up campaign was launched for a second PV plant, leading to EUR 23 000 being raised in only 48 hours and with the final amount raised being four times higher than the set target. The PV system was installed on the rooftop of the business support centre and ensures the electricity needs of the users of the building. The municipality covers the cost of the electricity consumption and pays back the citizens that have invested in the project through the monthly savings obtained. Any energy surplus produced from the PV plant is sold to the network. The cooperative works with the municipality as the main implementing partner, involving citizens through micro-loans and paying them back with a fixed interest

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23   The concept of prosumer is defined 'consumers who both produce and consume electricity'. More info can be found here: *https://www.europarl.europa.eu/RegData/etudes/BRIE/2016/593518/EPRS_BRI(2016)593518_EN.pdf*

of 4.5 %. In the second campaign, the interest rate was brought down to 3 %, as the main driver to investments from citizens was contributing to community development rather than profit. The estimated time for the return on the investment is ten years, after which the PV system ownership will be transferred to the municipality.

Embracing sustainability, the circular economy and slow living

Re-connecting with nature not only involves the exploitation of nature-based solutions and/or the greening of the built environment to provide ecosystem benefits to people and places. It also envisages the possibility of developing innovative solutions that rethink the role of SUAs in contributing positively to wider environmental goals, while also producing a convergence of social and economic gains at the local level (Faivre et al., 2017, Di Pietro, 2021).

Appealing examples in this sense are, for instance, efforts in the development of circular economic practices, which try to rethink the way people produce and consume, not only to limit waste but more ambitiously to promote a more sustainable lifestyle. Such an approach is quite variegated. It may include the concept of **'slowing down'** and **'slow innovation'** (Sept, 2021, Mayer, 2020) as alternative ways of development in opposition to the 'fast' character of large urban centres (the Cittaslow network being an emblematic example of this); it involves widely spread practices like second-hand shops, Do It Yourself initiatives and sharing mobility solutions. In addition, it envisages more innovative technological-based methods, in particular in the construction sectors, focused on the reuse of building materials as a way of reducing the use of raw resources. A case in point is the **Kerkrade (The Netherlands)** Urban Innovative Actions Project, where the city – together with a strong variegated partnership – has experimented with new circular economy processes aimed at 100 % reuse and recycling of materials acquired from the demolition of an outdated social housing high-rise flat.

There is also growing attention to the role SUAs can play in sustainable food systems due to their proximity to rural areas and intrinsic features linked to their urbanity (Pallagast et al., 2017). The inclusion of urban farming and agricultural land into the planning of cities, as well as more punctual interventions based on bio-economy solutions, seem particularly effective for ensuring sustainable food productions (Vargas-Hernández and Hammer, 2022). In the municipality of **Mouans-Sartoux (France),** a small town highly pressured by the real estate, the administration has created a vision called 'Local Farmers for a Sustainable Planet'. Its scope is to increase food sufficiency by developing short food chains where local farmers may have increased access to land dedicated to sustainable farming. This will not only increase the sustainability of the local food system but will also deliver economic and employment benefits, as more local people will see profitable investing in local agriculture activities, while also limiting the expansion of urban sprawl.

As shown by the last example, most of the attention in regards to food and urban areas is mainly placed on urban plant-based farming. Nevertheless, interesting paradigms can also arise in the field of animal base food production (Pallagast et al., 2019). This has been the path chosen by the municipality of **Völklingen (Germany)** with the establishment of Aquaculture Fresh. Thanks to the creation of a public-private cooperation, the municipality has been able to create the first worldwide sea fish farm without access to natural seawater. After the shutdown of the coking plant Fürstenhausen, parts of the area went into possession of the city of Völklingen in 2007. Thus, the administration came up with the idea of creating a sea fish farm on this site, with the long-term objective of contributing to reducing the practices of overfishing due to the increasing pressure on demand for fish worldwide. The municipality worked together with the public utility and private investors by providing land and a suitable legislative framework for the implementation of such innovative initiatives. Although initially not well perceived by the local population (due to some problems in its initial phase), the project stands as a good practice of successful and unique aquaculture solutions bringing benefits to both the environment as well as the local population. Indeed, through the re-functionalisation of the brownfield area, it has been able to deliver high and low qualified jobs for the local population as well as generate revenue for the municipality (Pallagast et al., 2019).

Inspire yourself. Re-connecting with nature for a sustainable future.

Policy approaches	Small Urban Area	Country	Source	Link
Re-connecting with nature for a sustainable future	Skellefteå	Sweden	VARCITIES Project	https://www.varcities.eu/pilot-cities/skelleftea-sweden
	Dundalk	Ireland	VARCITIES Project	https://www.varcities.eu/pilot-cities/dundalk-ireland
	Karlovac	Croatia	NEW EU BAUHAUS	https://new-european-bauhaus.europa.eu/get-inspired/inspiring-projects-and-ideas/fantastic-forest-phenomenon_en
	Santorso	Italy	EU COVENANT OF MAYORS	https://eu-mayors.ec.europa.eu/sites/default/files/2022-12/2022_CoMo_CaseStudy_Santorso_EN_FT-WD.pdf
	Marano Vicentino	Italy	EU COVENANT OF MAYORS	https://eu-mayors.ec.europa.eu/sites/default/files/2022-12/2022_CoMo_CaseStudy_Santorso_EN_FT-WD.pdf
	Vitry le François	France	Di Pietro (2021)	https://journals.openedition.org/belgeo/49525
	Križevci	Croatia	EU COVENANT OF MAYORS	https://eu-mayors.ec.europa.eu/sites/default/files/2022-10/eumayors-case%20study-Krizevci-en-1.pdf
	Kerkrade	The Netherlands	UIA	https://uia-initiative.eu/en/uia-cities/kerkrade
	Mouans-Sartoux	France	URBACT	https://archive.urbact.eu/sites/default/files/agri-urban_iap_mouans-sartoux_en_full.pdf
	Völklingen	Germany	Pallagst et al (2019)	https://www.researchgate.net/publication/335880998_GIAGEM_Handbook_of_recommendations_-_The_Role_of_Green_Innovation_Areas_in_Revitalizing_German_and_Mexican_Cities

6.4 Re-inventing smart public services

Not all policy approaches promoted by SUAs try to revert their shrinking trends. In particular, SUAs undertaking initiatives under the 'reinventing smart public services' category are seeking to maintain a good level of quality of life for their remaining population by accepting their current socioeconomic status, while not limiting their capacity to innovate.

Such a policy approach is based on the rationale that allowing SUA citizens to have better access to services of general interest (SGI) plays a crucial role in ensuring the well-being and development of individuals and communities. SGI are, indeed, considered to contribute significantly to the increase of quality of life of their residents and a major incentive to ensure that SUAs remain an attractive place to live (Agence nationale de la cohésion des territoires, 2020). These services are typically provided by the government, either directly or through a mix of public and private sector partners, in order to en-

sure that they are available to all members of society, regardless of their residence, income or other socio-economic factors. As SUAs are struggling to ensure an adequate provision of these services (as shown in previous sections), the need to find new and innovative approaches that can transform the way public services work – making them more efficient, effective and responsive to the needs and expectations of citizens and communities – is increasingly recognised.

Investing in digital connectivity and literacy

Digitalisation can be considered a precondition for the uptake of smart services and a strong leverage for rethinking the way public services work (Proietti et al., 2022). Access to very high-speed networks and the promotion of digital skills and entrepreneurship can be a tangible opportunity to enhance access to services (Perpiña Castillo et al., 2021). For instance, the Irish National Development Plan 2021-2030 projects to provide every home, school and business with high-speed broadband regardless of their

location, be they in urban or rural areas (Irish Department of Public Expenditure and Reform, 2021). Besides national level governments' investment in the expansion and/or improvement of broadband infrastructure (recognising its role in enabling the set-up of digital services at the local level), at the local level efforts are also being made towards two other (important) dimensions of the digital gap: namely in digital literacy and the uptake of digital services.

Examples of this can be found in **Dubrovnik's** Tech Town Action Plan **(Croatia)** and in the **Cēsis (Latvia)** Action plan for digital growth. Both programmes aim to influence the way people perceive digital transformation, so as to ensure a wider uptake of digital service solutions. Actions include raising-awareness levels by increasing digital literacy and digital skills in the local population, especially amongst parents and educational staff, the organisation of meet-up thematic events aiming at building a local community of digital change makers and conducting targeted outreach to senior citizens and low-income families to increase the accessibility of the services provided.

Innovating municipal public services through digital solutions

This category of actions encompasses initiatives focused on leveraging technology and ICT tools to enhance the quality and accessibility of municipal services. This can be done by utilising data and analytics to monitor and address social and environmental challenges, as well as by establishing platforms and other digital resources to promote information-sharing and civic participation within the community. An example worthy of note is the one developed by the municipality of **Gava (Spain)** through its project GAVIUS, financed by the UIA initiative. The municipality has developed an innovative artificial intelligence based tool that functions as a virtual assistant for communicating to citizens their social welfare entitlements, while assisting them into the whole process of delivery. The main objective of the project is to change the relationship between the citizenship and administration, from a reactive approach to a proactive one. In this way, services are

offered with a user-centred and personalised way and increase the level of transparency of the public administration. Having a digitalised delivery of these services will generate extremely relevant knowledge and information that could be used by other public administrations as a decision-making tool for different policy developments and/or for the setting-up of complementary services.

In the area of monitoring, an interesting example is offered by the municipality of **Portalegre (Portugal),** which has invested in the prioritisation and effective use of LORA WAN (Long Range Wide Area Network) technology[24] for improving the sustainability of their local services. The local government installed a control and monitoring system of municipal waste and bin sensoring, monitored through an online platform and equipped with a set of tools that support the actual management process. The implementation of this project allowed the optimisation of the waste collecting circuit, promoting the profitability of means, human and physical, and therefore the reduction in terms of costs and the minimisation of polluting CO_2 emissions. A similar approach has been used by the **Jelgava (Latvia)** city municipality and its Operative Information Centre (MOIC). The city has established this centre to monitor the city public area and critical infrastructure with the latest technology solutions (including a citizens contact centre, video surveillance system, GIS, energy monitoring, flood maps, road traffic accident map, drone images database, etc.). The objective of Jelgava is to deliver an integrated smart city strategy, where traditional networks and services are made more efficient with the use of digital solutions: the latter form the entrance point for intervening, for instance, in the water supply and waste disposal facilities and ensuring energy efficiency in public lighting systems and more effective urban public transport.

Delivering programs and services designed to meet the unique needs and challenges faced by older individuals is a specific dimension of this type of approach. A case in point is **Castelfranco Veneto (Italy),** a small town in northern Italy that is aiming to create a healing garden for elderly and peo-

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24   Long Range Wide Area Networks (LoRaWAN) is a type of wireless communication network that is designed to provide long-range communication between low-power devices in a wide area, while minimising power consumption and operating costs (Augustin et al. 2016).

ple suffering from Alzheimer's disease, together with a 'Local Observatory on therapeutic effects of the landscape'. The pilot project was developed inside the Villa Revedin Bolasco and includes the main city hospital and a dedicated house for elderly people, as well as an Urban Day Care Centre for people affected by Alzheimer's disease. The project takes a holistic approach in deploying not only digital tools but also using nature as a key component of the solutions developed. The project involves a robust evaluation and monitoring system assessing the impact of the natural environment on the well-being, behaviour, and physiological states of elderly individuals and people with dementia. This analysis will be supported by the collection and monitoring of microclimatic and environmental conditions in various areas of Villa Bolasco, including the forest area, open area and lake area, in order to conduct a more detailed assessment of the effect of each type of space. Visitors' behaviour will be tracked using sensors and Android devices, which will also allow for enhanced safety measures such as calling specific emergency numbers. The data collected will then be used to support the design of green spaces and to foster nature-based psychological and clinical interventions, but also as awareness raising tools on the benefits provided by the natural ecosystem on health and well-being.

Beyond digital: when social innovation drives smarter service

Although the digital component of reinventing smart public services is the most tangible and straightforward one, there are interesting cases where the provision of the SGI is reinvented through the harnessing of social innovation practices not focused on technological solutions. Instead, they often have at its core practices of community engagement and empowerment, done through the collaboration be-tween government, private sector and civil society organisations. In this context, an interesting case is the one provided by the city of **Notodden (Norway).** The program called 'Building Bridges' aims to coordinate comprehensive services for families, children and young people who require tailored services from multiple providers. This includes providing better information, as well as ensuring that individuals and families have adequate access to a range of services available, including health, education, work and leisure activities. The program is based on a mutual agreement signed by national, regional and municipal service providers and has been implemented through strong collaboration between several stakeholders, including NGOs, Small and medium-sized enterprises SME (SMEs), local schools, municipal labour market organisations, the local disability union and various healthcare and educational institutions.

Dzierżoniów (Poland) is another key example of a SUA implementing a holistic service program based on a social innovation approach. As part of its local senior policy, the municipality developed several activities aimed at improving the services and support delivered to older people in the urban area, which constitute one third of its total inhabitants. Initiatives include, amongst others **(i)** the telebands of life: a free modern wristband offered to seniors in Dzierżoniów aimed at improving safety and independent functioning in seniors' place of residence; as well as **(ii)** the 'Handyman' program for seniors, under which elderly can take advantage of free professional services for minor home repairs; or **(iii)** 'City Seniors' Days': specific days that allow seniors to participate in different thematic lectures, as well as have free health examinations and consultations. Moreover, the city has established several support centres in the city of Dzierżoniów that specifically target the elderly population, providing care, assistance, classes and social activities.

Inspire yourself. Re-inventing smart public services.

Policy approaches	Small Urban Area	Country	Source	Link
Re-investing smart public services	Dubrovnik	Croatia	URBACT	https://archive.urbact.eu/sites/default/files/iap_dubrovnik_english_final.pdf
	Cēsis	Latvia	URBACT	https://archive.urbact.eu/sites/default/files/techtown-actionplan_cesis_eng_final_052018.pdf
	Gava	Spain	UIA	https://uia-initiative.eu/en/uia-cities/gava
	Portalegre	Portugal	URBACT	https://archive.urbact.eu/city-portalegre-instals-control-and-monitoring-system-municipal-waste-and-waste-bins-sensoring-0
	Jelgava	Latvia	URBACT	https://archive.urbact.eu/jelgava-city-municipality-operative-information-center-moic
	Castelfranco Veneto	Italy	VARCITIES Project	https://www.varcities.eu/pilot-cities/castelfranco-veneto-italy
	Notodden	Norway	TERRITORIAL AGENDA	https://www.innovationcircle.no/trans-in-form.97653.en.html
	Dzierżoniów	Poland	URBACT	https://urbact.eu/articles/sdg-story-dzierzoniow-0

6.5 Re-imagining governance and partnerships

Well-functioning and innovative institutions are the backbone of any of the policy approaches described so far. From the re-activation of the public space, to the delivery of digital/smart services, or the creation of energy communities, as well as the identification of specific territorial assets, SUAs' attempts to break free from their state of decline all have in common innovative practices changing the way local governments work, inside and outside their administrative and territorial boundaries. The policy approach 're-imagining governance and partnerships' is exactly composed by those actions aimed at transforming the way SUAs build-up multi-stakeholders, multi-level and cross-departmental structures in order to better respond to their local challenges.

Inter-municipal cooperation and multilevel governance: the backbones of more efficient SUA institutions

A first line of intervention includes actions aimed at improving the way SUAs cooperate with larger metropolitan centres and/or amongst themselves. 'Functional Urban Areas' (FUA) is certainly one of the main concepts utilised by policy makers to foster integrated forms of inter-municipal cooperation. The EU currently extensively embraces this concept, as can be seen by the current (as well as the previous) EU cohesion policy programming period 2021-27, which considers FUA an important tool to stimulate urban-rural linkages and deliver a more balanced and sustainable urban development[25] (see also section 7.1). However, for SUAs to fully benefit from inter-municipal cooperation models, it is necessary to establish internal dynamics that position them as equal partners to larger metropolitan centres, rather than as mere appendices to them. Otherwise, an asymmetry in power and representation could undermine the potential of these arrangements (Schumacher and Born, 2021).

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25   REGULATION (EU) 2021/1058 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund. See: *https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1058&-from=EN*.

Fostering successful inter-municipal cooperation usually requires a national and regional framework setting up the necessary rules of the game. The case of **'Unione dei Comuni della Bassa Romagna' (Italy)** (from now on called Unione) is a successful example of inter-municipal cooperation, in particular in what regards sustainable urbanisation and spatial planning development (Cotella and Berisha, 2021). Using the opportunity offered by a regional law in 2006, the nine SUAs belonging to the supra-local institution have decided to introduce an innovative strategic spatial planning instrument for the whole territory of the Unione, reducing the spatial fragmentation given to the previous use of the nine different planning instruments. 'The Municipal Structural Plan of the Union of Municipalities of Bassa Romagna' has therefore been considered highly beneficial for the overall strategic planning approach of the territory and resulted in the 'overture' of the decision-making process not only to actors from all the involved municipalities, but also to stakeholders from the private sector and civic society (ibid.). The Plan reduced the competition between the municipalities and delivered a future-oriented perspective able to generate the following positive effects.

- Urban sprawl reduction, by introducing environmental principles in local spatial planning.
- The development of forms of compensations concerning the redistribution of the benefits deriving from the localisation of private developments to all the municipalities of the Unione.
- A more strategic decision-making process linked to the identification of the most appropriate location for large-scale commercial and industrial areas (ibid.).

An example of effective multilevel governance amongst different layers of governments is the case offered by the governance structure created by the Covenant of Mayors initiatives. It has been indeed demonstrated that the role of regions and provinces – acting in the initiative as **Covenant Territorial Coordinators (CTC)** – have been particularly determinant in engaging and stimulating SUAs in actively participating in climate and energy initiatives (Melica et al., 2018). The role of intermediate levels of government, such as regions and provinces, was considered 'essential in spreading the culture of sustainable energy planning and designing tailor-made solutions for small local authorities' (ibid. p. 738). In fact, CTCs helped municipalities not only in calculating emission inventories and developing action plans, but also in setting the basis for investments in energy efficiency and renewable energy projects. Some examples are the **Province of Barcelona (Spain)**, the **Province of Limburg (Belgium)** and **Regione Abruzzo (Italy),** which have used different sources and mechanisms to finance sustainable energy actions in SUAs (ibid).

Co-creation, community participation and 'unusual' partnerships as enablers for change

Another key dimension of this approach refers to the capacity of SUAs to crystalise new forms of collaboration amongst local stakeholders, citizens and communities, in an effort to build strategic partnerships that can guarantee the identification of place-oriented actions facilitating a shared development territorial path (Pertoldi et al., 2022, Lazzeroni, 2022). In fact, the use of the collective intelligence of different local actors in decision-making and co-creation of urban processes helps urban authorities better unlock their endogenous potential (New Leipzig Charter, 2020, UIA, 2022). It is essential, however, not to limit the engagement endeavours to mere information and consultation procedures but to create 'a systematic pursuit through the use of joint decision-making processes, co-creation and co-production mechanisms' (Pertoldi et al., 2022, p.86). An analysis of the participatory approach of different UIA projects in urban areas of different sizes, in relation to the creation of an effective participative multi-stakeholder approach, suggests the following recommendations (UIA 2022).

- Giving new power roles to those non-public 'unusual suspects' actors.
- Considering a citizen-focused approach throughout the lifecycle of the initiative, as it incites behavioural change and interest in city governance, while enabling the authorities to better align services and urban policies to citizens' needs and aspirations.
- Establish flexible feedback mechanisms that allow involved stakeholders to make adjustments to the original implementation plan so as to unblock the collective knowledge that is being generated during the implementation of the initiatives.

- Employing innovative behavioural-change tools and methods that can ensure the medium-term involvement of the local population.

The project Air Heritage in **Portici**[26] **(Italy),** a peri-urban area close to Naples, is an interesting case in this sense, as it has based its innovative solutions on the use of citizens' science and a quadruple helix approach to tackle the challenge of reducing air pollution in its territory. Starting from an assessment of what the territory could offer in terms of science, participation and government capacity in the field of air pollution reduction, stakeholders and citizens were involved in the whole process, from data collection, to monitoring to policy review. Citizens were involved in the monitoring system, as fixed air monitoring stations such as portable devices and moss placement were located on their balconies across the city. This data was then made available through an open access platform used by the local authorities as a decision support tool. Moreover, collaboration with schools were deployed leading to the development of a zero-emission mode of transport – a 'pedibus' to foster the change in existing patterns of mobility (UIA, 2022).

Box 3. 'Space Matters: a methodology for CityLabs'. A JRC methodology supporting the formulation of place-based and integrated urban policies

CityLabs are collaborative research formats where partners (i.e., the JRC and a city administration/s) work in close contact to share and identify new quantitative and qualitative data to study a determined urban trend, assess the spatial impacts of a specific policy and co-create and assess possible scenarios. CityLabs can help tackle a wide range of topics in different urban areas through various modalities and with the involvement of a broad set of stakeholders (e.g., local authorities, academia, civil society etc.). Operatively, such a format foresees tackling the issue at stake through the lenses of spatial analysis in support to policy (Iodice et al., 2023).

The methodology to run a CityLab is a modular and flexible format to study a city. It is formulated to be adaptable to different cases (i.e., cities of different sizes), topics (e.g., resilience, services provision, homelessness, green infrastructure, etc.) and objectives (e.g., to analyse the impacts of a specific policy or an urban trend). It is constructed around three phases:

- **PHASE 01 – Initialisation –** composed by three different steps: the topic selection (01.A); the identification and contact with the city (01.B); the objectives' definition and the joint work plan (01.C).
- **PHASE 02 – Implementation –** including the collection of documents, data and policies (02.A); the organisation and implementation of participatory mapping (0.2B); and the comprehensive analysis to reach the defined objectives (02.C).
- **PHASE 03 – outcomes and dissemination –** outcomes can have different forms and their use can be internal or open to the public to various extents.

The CityLabs methodology can represent an innovative way for SUAs to overcome the limits linked to the capacity of the public administration, involving different kinds of stakeholders and – at the same time – generating granular data and information that can help reveal challenges, hidden patterns and potentialities for future place-based policy and planning.

For more information: Iodice, S., Sulis, P., Testori, G., Alberti, M., Ciuffo, B., Duarte, F., Dunlop, T., Flores Hernandez, A.L., Guimaraes Pereira, Â., Katrini, E., Laurila, P., Alonso Raposo, M., Ritter, F., Roemers, G., Scheurer, L., Tarantola, S. and Van Heerden, S., *Space matters: A methodology for CityLabs,* Iodice, S., Sulis, P. and Testori, G. editor(s), EUR 31210 EN, Publications Office of the European Union, Luxembourg, 2023. See: *https://publications.jrc.ec.europa.eu/repository/handle/JRC130471*.

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26   Although Portici has a population of 51 978 inhabitants and therefore not entirely categorized as SUA (as defined in this study) the project described represent a remarkable case worth to be mentioned as part of this atlas.

Innovative civic management systems

Managing different competencies and organisational cultures – especially when there is no strong culture and prior experience in cooperation – may seem particularly challenging and demanding for the public administration of SUAs. Innovative and well-designed management and coordination structures ensuring the establishment of due synergies between actors involved are especially effective to overcoming the limited governance capacity of SUAs.

The case of **Olot (Spain)** represents an excellent example of the creation of innovative management procedures for the construction of integrated strategies and projects. As part of the holistic regeneration of its urban historic centre, the municipality of Olot has set-up a participatory diagnosis mechanism capable of collecting and organising the suggestions from stakeholders involved and comparing them with the technical vision of the local administration. In addition, the municipality has established different local stakeholders' participation bodies/makerspaces. This is done through the Local Support Group, a committee dedicated to the identification of the main challenges and the definition of the development approach of the municipal Integrated Actions Plan. This committee includes all the relevant stakeholders at the local level, allowing the city administration to engage in a collaborative process generating a valuable mix of knowledge, made by professionals, people, interests and visions. A second Integrated Working Group composed mainly by technicians from the municipality and belonging to different departments was established with the aim of generating an internal policy integration necessary to harmonise the suggestions arising from the participatory Local Support Group. Thanks to such a governance system, the municipality was able to ensure the development of an integrated vision for the urban regeneration that has led to a greater positive impact in terms of increasing social cohesion and fighting urban inequalities.

Another unusual bottom-up example of an innovative partnership approach is found in the town of **Athienou (Cyprus)** with the establishment of the 'Municipal Council of Volunteerism' (MCV). The MCV is an umbrella council chaired by the mayor, with 48 members elected by the community (local organisations, political parties, parent associations, the church and sponsors) functioning as support to the municipal staff in the implementation of their social agendas. The MCV is an umbrella council that supports the implementation of different social programmes, amongst which the 'Elderly Home', the 'Nursey Centre' and the 'Social Welfare Committee'. The latter is, per se, a committee functioning as a social department of the municipalities where the work is done in strong collaboration with the Social Welfare Office and the Ministry of Education. The MCV is structured around a bottom-up participative approach, where public authorities, community-based associations and the private sector achieve an important vertical and horizontal integration that allows the volunteers to take a decisive role in the decisions, with the necessary validation from the municipality. A crucial element of the functioning of this system is the extraordinary support given by the private sector to the social welfare services of the municipality, in a sort of 'corporate social responsibility' approach anchored to the local territory. For instance, the regional business association provides the municipality with 30 litres of milk a day and 20 kg of meat a week free of charge, to be used in the framework of the 'Elderly Home' programme. Another key sustainability factor of these initiatives is the intergenerational element, characterised by the involvement of different age groups of the community. The MCV, therefore, not only benefits from the existing cohesive culture but becomes a key enabler of the principle of solidarity, functioning in favour of the delivery of better services and an improved quality of life for citizens of Athienou.

Inspire yourself. Re-imagining governance and partnerships.

Policy approaches	Small Urban Area	Country	Source	Link
Re-imagining governance and partnerships	Unione dei Comuni della Bassa Romagna	Italy	Cotella & Berisha (2021)	*https://www.taylorfrancis.com/chapters/edit/10.4324/9781003094203-27/inter-municipal-spatial-planning-tool-prevent-small-town-competition-giancarlo-cotella-erblin-berisha*
	Portici	Italy	UIA	*https://uia-initiative.eu/en/uia-cities/portici*
	Olot	Spain	FUTURE project	*https://futureregeneration.eu/wp-content/uploads/2022/04/FUTURE_Future_Profile_Baseline_Research_01.pdf#page=34*
	Athienou	Cyprus	URBACT	*https://archive.urbact.eu/volunteering-cities-powerful-model-european-cities*

PART III. Strategies of Sustainable Urban Development for Small Urban Areas

Small Urban Areas
in the policy discourse of the European Union

Although SUAs have not had a prominent role in the urban and territorial discourses at EU level, they have been considered within broader frameworks and have recently gained wider recognition.

The political direction

To understand the European political direction on SUAs, it is especially useful to look at the documents produced in the framework of the different presidencies of the Council of the EU – in particular, the informal Council of Ministers responsible for urban and territorial matters.

The **European Spatial Development Perspective (ESDP)** (1999) represents one of the earliest mentions of SUAs in the European policy discourse. The document recognises the significance of small and medium-sized cities and towns in the European urban framework, emphasising their role in creating **a balanced and polycentric urban system** and in fostering forms of **urban-rural relationships.** Moreover, ESDP acknowledged the importance of SUAs as structuring poles in the broader territorial context, offering essential services, transportation, and economic activities:

In a polycentric urban system the small and medium-sized towns and their inter-dependencies form important hubs and links, especially for rural regions (...).

The small and medium sized towns in these regions (structurally weak areas, ed.) offer hubs for the development of industry and service-related activities, research and technology, tourism and recreation (European Committee on Spatial Development, 1999, p. 28).

After ESDP, several key documents made reference to small and medium-sized urban areas, or at least acknowledged the importance of considering cities of all sizes, in particular:

- the **Territorial Agenda 2020 (2010)** highlights the role of SUAs for polycentric development, urban-rural interaction and for addressing local issues in rural areas;
- the **Leipzig Charter (2007)** encourages equal partnership between cities of all sizes;
- the Marseille Declaration (2008) encourages integrated approaches that take into account the range of scales of urban areas, from neighbourhoods to the largest urban areas;
- the **Toledo Declaration (2010)** stresses the need for tailored solutions to address the geographical and contextual diversity of cities and towns.

More recently, the three-state presidency of the Council of the EU 2014-2015 **(Italy, Latvia and Luxembourg) stressed explicitly small and medium-sized urban areas as a common priority.** In this context, the **Riga Declaration (2015)** was published: this document provides political support for the development of the EU Urban Agenda, and for the first time specifically addresses the question of SUAs.

The Riga Declaration states that **SUAs** have a pivotal role in **balanced territorial development** and **achievement of common European Goals** and for this reason that they should be an integral part of the EU Urban Agenda. SUAs are quoted several times in the document and, in particular, they are at the centre of a dedicated part of the declaration. According to this document, SUAs hold significant **potentials** that need to be utilised (i.e. economic activity and quality of life aspects) but also face a range of common **challenges** (i.e. ageing population, migration of young people and low economic activity) that need to be addressed at different governance levels. In this respect, the declaration envisages the provision

of support measures in the form of integrated and place-based mechanisms.

In line with the Riga Declaration, the **Urban Agenda for the EU** launched in occasion of the **Pact of Amsterdam (2016), promotes integrated urban development for cities of all sizes, including SUAs.** The Urban Agenda for the EU is 'an integrated and coordinated approach to deal with the urban dimension of the EU and national policies and legislation' (p.5) that seeks to improve the quality of life in urban areas by focusing on priority themes. Besides priority themes, the Urban Agenda also stresses cross-cutting issues, among which 'challenges and opportunities of small- and medium-sized Urban Areas and polycentric development' (p.8).

After these two milestones, other key documents for urban and territorial development made reference to SUAs. In particular:

- The **New Leipzig Charter (2020)** recognises the role of 'small and medium-sized towns and cities' in order to provide comparable living conditions for their citizens, especially in shrinking areas.
- The **Territorial Agenda 2030 (2020)** emphasizes the diverse development potential and obstacles associated with various types of territories, including SUAs. SUAs are recognized for their contribution for a balanced polycentric development, economic growth, and social well-being in regions, as well as for their role in addressing climate change, energy transition and circular economy at local level.
- The **Ljubljana Agreement (2021),** emphasises the involvement of SUA authorities in bringing 'infrastructure, accessible services and goods close to everyone' (Slovenian Presidency of the Council of the European Union, 2021, p.2) along with the importance of stimulating and supporting 'the inclusion of small and medium-sized urban authorities and their participation in the Urban Agenda of the EU processes and multi-level cooperation' (ibid, 2021, p.6).

The operational policy framework: the cohesion policy

Having covered the 'political' framework regarding the strategic direction on SUAs (given by the informal Council of Ministers in urban and territorial matters and the above-mentioned strategic documents), we now turn to operational viewpoint, whereby the EU cohesion policy represents the main policy framework under which interventions on SUAs are being undertaken. The cohesion policy represents the main source of EU funding that promotes specific measures devoted to **sustainable and integrated development of urban areas**, including small ones.

During the **2014–2020 cohesion policy programming period** a minimum of 5 % of the European Regional Development Fund (ERDF)[27] was earmarked in each Member State for **strategies promoting Sustainable Urban Development (SUD).** SUD strategies had been conceived to tackle the intertwined challenges affecting urban areas in an integrated way, and were to be developed with the active involvement of the local level (urban authority). With this purpose, SUD strategies could be based on a multiple set of the 11 thematic objectives of the cohesion policy[28], depending on the priorities selected for urban areas in the operational programmes at national or regional level. Additionally, special emphasis was placed on the importance of **urban-rural linkages** and on the **functional area approach,** with the promotion of new tools, such as the **Integrated Territorial Investment (ITI)** and the **Community-led Local Development (CLLD)**. Both ITI and CCLD are tools that can be used to target SUAs. **ITI** was conceived primarily to ease the integration of multiple sources of funds into one strategy. It can also be considered more generally as a tool to promote integration along all its facets, including **territorial integration,** at any sub-national scale.

CLLD is a method particularly apt to engage the local level, including civil society and other stakeholders, in the design and implementation of the strategy. During the 2014-2020 programming period, CLLD was not part of the earmarked SUD financing, but it was still possible to use the method in urban development and in other types of territories. The population size of areas eligible to be supported by CLLD strategies was between **10 000 and 150 000 inhabitants.** As such, SUAs and urban-rural cooperation could particularly benefit from CLLD strategies.

For the **programming period 2021-2027,** the emphasis on the **urban dimension of cohesion policy** became **more prominent** and the minimum percentage of ERDF earmarked to SUD strategies was raised to 8 %. Moreover, the new cohesion policy framework introduced five **Policy Objectives (PO)**[29] for investments. The first four POs are thematically focused, covering several policy areas,[30] while **PO5** 'Europe closer to citizens fostering the sustainable and integrated development of all types of territories' is **cross-cutting** and promotes a **place-based integrated approach** to address diverse and interlinked local needs and challenges. PO5 includes a specific objective devoted to investments under the earmarked minimum 8 % ERDF funding, for fostering the economic, social, environmental sustainability and resilience of urban areas, including SUAs. Another specific objective under PO5 allows support to territorial and local development with a main focus on non-urban areas. For the 2021-2027 programming period, support for sustainable urban, territorial and local development should be implemented making use of 'territorial tools' among which the **ITI** and the **CLLD.**

Finally, it is worth noticing that the ERDF in 2021-2027 also includes the European Urban Initiative, which provides support to innovative actions in urban areas, and support in terms of capacity and knowledge building for all types of urban areas.

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27   The European Regional Development Fund is one of the main supporting funds of the cohesion policy. It has provided financial support since 1975 for the development and structural adjustment of regional economies, economic change, enhanced competitiveness as well as territorial cooperation throughout the EU.

28   In the 2014-2020 programming period, the European Structural and Investment Funds, in particular the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund, supported 11 investment priorities, also known as thematic objectives. More information on thematic objectives can be found here: *https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32013R1303&from=EN*.

29   See REGULATION (EU) 2021/1058 and REGULATION (EU) 2021/1060

30   They are respectively: 1. A more competitive and smarter Europe; 2. A greener, low carbon transitioning towards a net zero carbon economy; 3. A more connected Europe by enhancing mobility; 4. A more social and inclusive Europe.

Box 4. The 'Handbook of Sustainable Urban Development Strategies'

The Handbook of Sustainable Urban Development Strategies is a publication and an online platform promoted by the JRC in collaboration with the Director General for Regional and Urban Policy (DG REGIO). It is aimed at developing methodological support to augment the knowledge on how to best implement integrated and place-based urban development under the Cohesion Policy. In particular, it refers to SUD as supported by the European Regional Development Fund during the programming periods 2014-2020 and 2021-2027.

In this context, the Handbook is conceived as soft guidelines that complement official regulations, without being prescriptive. As such, it is policy learning tool, flexible and adaptable to the specific needs of the different territorial and administrative contexts. The Handbook does not provide a quick fix approach but offers suggestions through concrete examples and references to existing tools and guides on how to tackle key challenges during the process of strategy-making.

The Handbook targets Local Authorities, Managing Authorities and all the other relevant stakeholders involved in the design and implementation of territorial strategies.

The Handbook is structured into six chapters, each one addressing one of the building blocks of the EU approach to Sustainable Urban Development as follows:

1. strategic dimension;
2. territorial focus;
3. governance;
4. cross-sectoral integration;
5. funding and finance;
6. monitoring.

These building blocks are aligned with the principles promoted by documents such as the OECD Principles on Urban Policy (OECD, 2019) the New Leipzig Charter and the Urban Agenda for the EU.

For more information: Fioretti, C., Pertoldi, M., Busti, M. and Van Heerden, S. editor(s), *Handbook of Sustainable Urban Development Strategies,* Publications Office of the European Union, Luxembourg, 2020. See: *https://urban.jrc.ec.europa.eu/ urbanstrategies*.

An analysis of strategies targeting Small Urban Areas in 2014-2020

As explained above, although cohesion policy and in particular ERDF do not have an explicit specific focus on towns, **SUD strategies** are potentially **powerful tools for SUAs.** The way in which a SUD measure is implemented on the ground depends a lot on the priorities set at national and regional levels, as well as on the actual characteristics of the territorial and local contexts, and the specificity of their urban system.

To understand better **how SUD strategies work concretely,** it is possible to look in detail at **the picture emerging from the 2014-2020 programming period,** thanks to the data provided by STRAT-Board (see Box 5).

Box 5. STRAT-Board, the interactive webtool on urban and territorial development strategies

STRAT-Board is an online tool and database developed by the Joint Research Centre (JRC) in collaboration with DG REGIO under the umbrella of the Knowledge Centre for Territorial Policies, which collects data on all the integrated urban and territorial development strategies supported by the cohesion policy in the past programming period. The data collection was initially based on the DG REGIO study 'Integrated Territorial and Urban Strategies; how are ESIF adding value in 2014-2020?' (Van der Zwet et al., 2017). It was then verified, updated and enlarged through two subsequent surveys (the first one issued in 2018, the second in 2020-2021) to Managing Authorities responsible for territorial instruments. The dataset includes information on the type of territorial instruments (if SUD or not SUD), on the territorial delivery mechanism (operational programme; priority axis; ITI; CLLD) and a range of other attributes such as the territorial focus, EU funding contribution, defining keywords and thematic objectives (TO). Moreover STRAT-Board contains information on the territorial coverage of each strategy, meaning the municipalities (Local Administrative Units - LAUs) that are affected by the strategy.

STRAT-Board can be used by policy-makers, experts, researchers and all those interested to explore the different integrated strategies in detail or aggregated by country or by various attributes. Moreover, STRAT-Board is linked to other tools promoted by the JRC in support of urban and territorial strategies, as in particular the Handbook of Sustainable Urban Development Strategies (see Box 4).

For more information: *https://urban.jrc.ec.europa.eu/strat-board*.

The STRAT-Board database includes 1 044 SUD strategies, but for the sake of this report a sample of 1 021 SUD strategies has been analysed covering all 27 Member States (more information on the methodology is included in Annex II). Spatial analysis was used to classify all strategies according to the typology of urban area they were targeting. In particular, the analysis looked at whether the perimeter of each strategy (territorial coverage) contained settlements classified as city, town or village according to the second level of the degree of urbanisation (see Box 1).

The first key finding is that around **half of the SUD strategies analysed, namely 507 strategies accounting for 49.7 % of the sample, targets a town** (or more than one) (Map 1). A slightly smaller number, 484 strategies – 47.4 % of the total – target at least one city, while the remaining 30 strategies correspond to villages (2.9 %). This means that in **2014-2020, the SUD measure has indeed been used substantially to tackle the needs and challenges of SUAs, in particular of those located in a rural/intermediary context,** considering that 77.3 % of them are not located within a functional urban area.

Strategies targeting SUAs are not evenly distributed across all Member States (Fig.10). In particular, there are 12 Member States that decided to focus SUD strategies only on cities (e.g. Lithuania, Poland, Slovakia) or mainly on cities (e.g. Belgium, Croatia, Romania). On the other side of the spectrum, there are **four countries that devoted the majority of the strategies to SUAs,** in particular **Austria** (14 strategies accounting for 82.4 %), **Luxemburg** (one strategy), **Portugal** (75 strategies accounting for 71.4 %), **Slovenia** (nine strategies, 91.8 %). In the remaining **10 countries, strategies focus on both types of urban areas (e.g. Germany, Spain, Italy, Latvia).**

Figure 11. Localisation of SUD strategies targeting towns (Small Urban Areas).
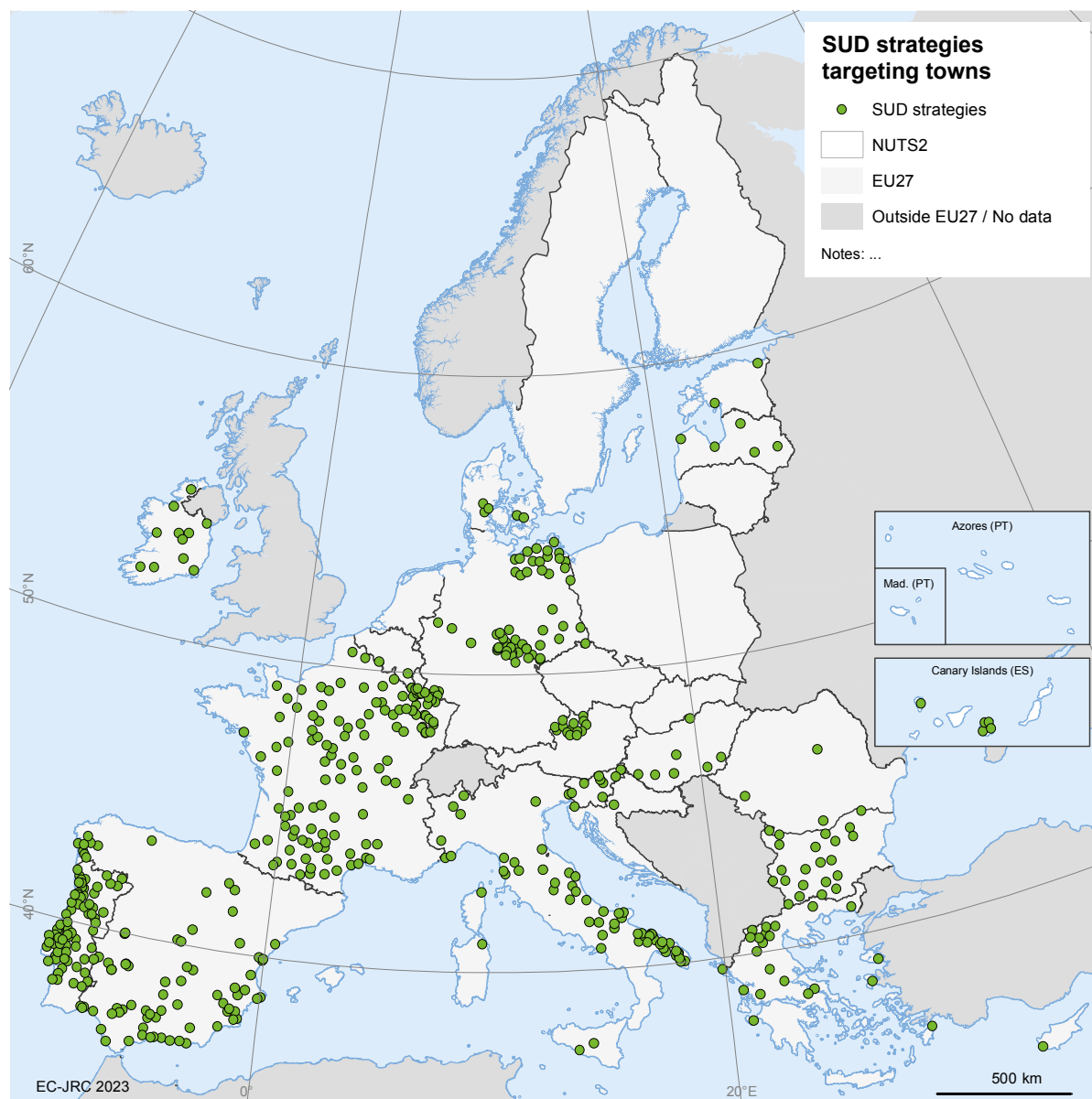
Figure 12. Number of SUD strategies targeting cities and towns per Member State.
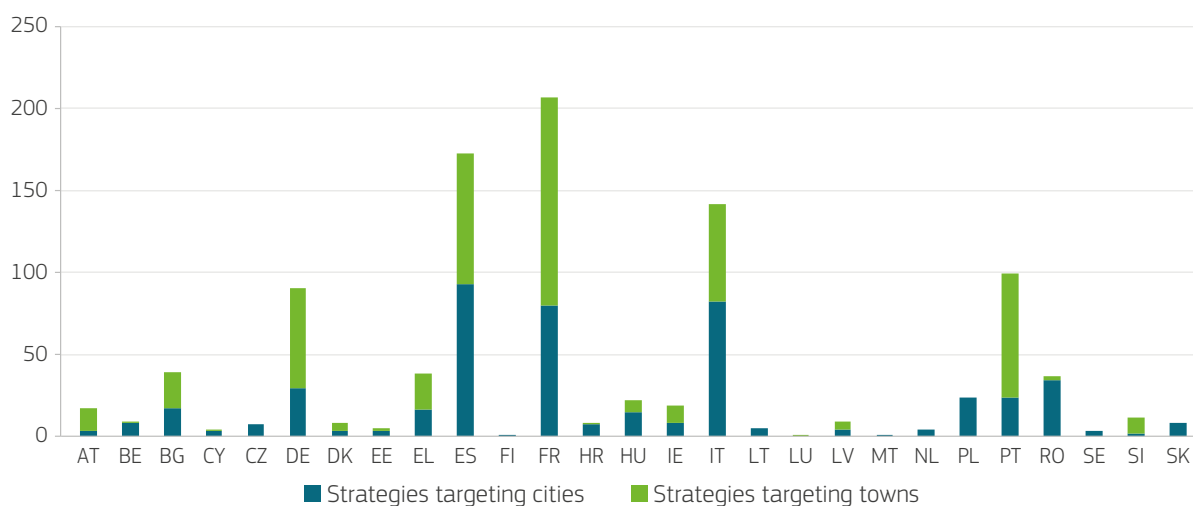
## Key characteristics of SUD strategies for SUAs

It is possible to look more in detail at some of the **key characteristics** of SUD strategies targeting SUAs.

The first interesting element concerns the **territorial focus of the strategy.** The definition of the territorial scope is one of the key steps in the design phase because it should correspond to the needs, challenges and opportunity for development tackled by the strategy (Fioretti et al., 2020). It is in fact one of the minimum requirements for territorial strategies in the 2021-2027 programming period (Regulation (EU) 2021/1058).

STRAT-Board data shows two main territorial focuses for SUD strategies targeting towns. **40.2 %** of them target the **entire town,** and another relevant percentage, **32.9 %, adopts a neighbourhood approach** or, in other terms, target a specific area (district or neighbourhood) within the town. Only a **smaller percentage (16.8 %) target a functional area** formed by an agglomeration of multiple towns.

When looking at the distribution of these different approaches across the 27 Member States (Fig.13), it is evident that targeting the entire town is quite widespread, while the **neighbourhood approach is more used in central and southern European countries,** in particular: France, Germany, Portugal,
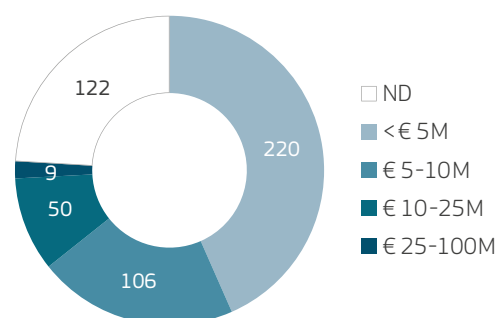
Figure 13. Localisation of SUD strategies targeting towns per type of territorial focus.
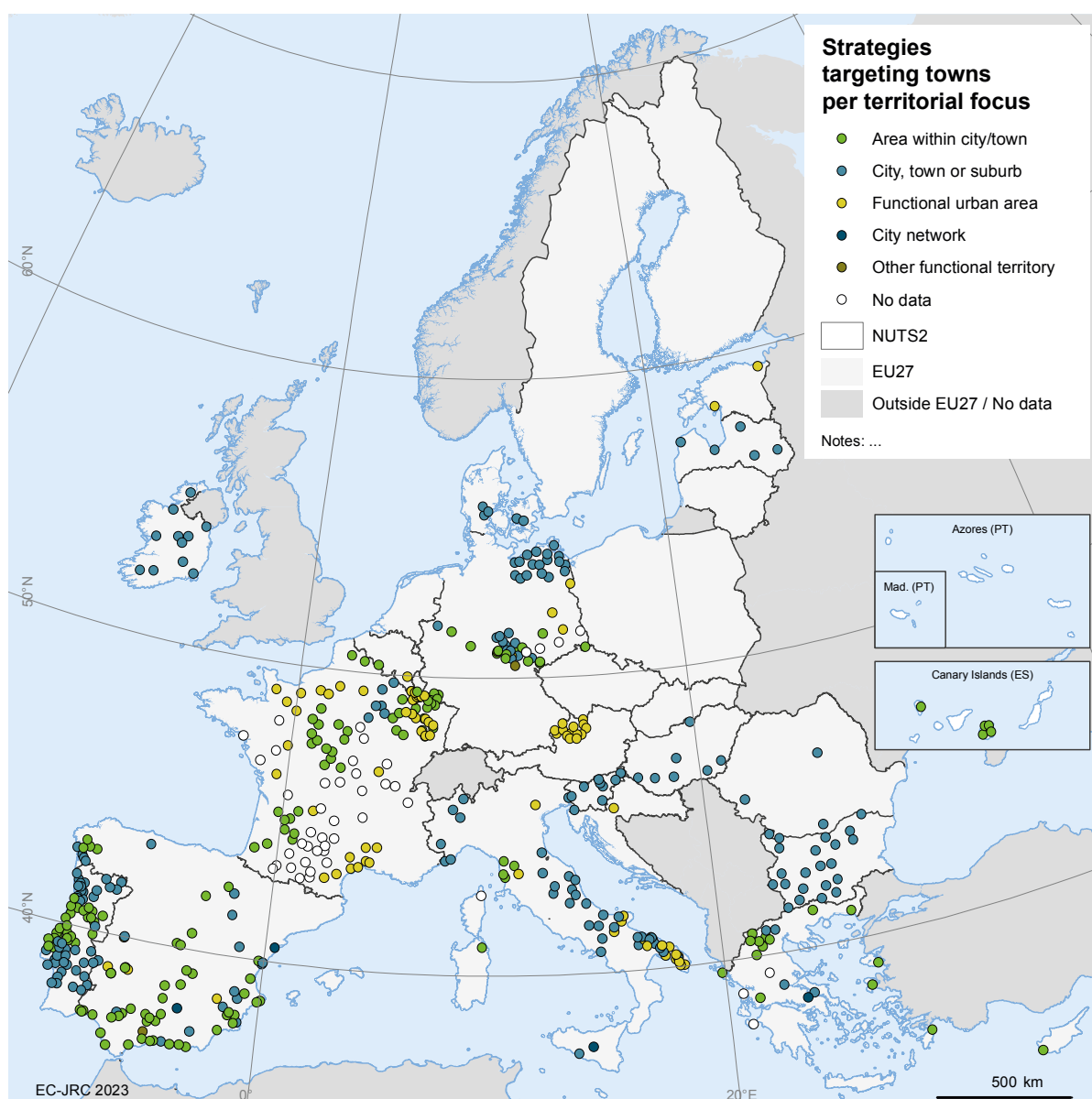
Spain, Italy and Greece. Finally, **the functional area approach is concentrated in some specific regions:** e.g. Apulia in Italy, Brandenburg in Germany, Grand Est in France, Upper Austria in Austria.

Regarding the size of **EU budget allocated to each strategy** through the European Structural Investment Funds[31], the analysis[32] reveals that the majority of strategies have small budgets. In particular 51.7% of them allocated **less than 5 million EUR.** Only nine strategies, accounting for 2.3% of the

Figure 14. Number of strategies targeting towns per amount of ESIF (EUR million).

Figure 15. Localisation of strategies targeting towns per amount of ESIF allocated.
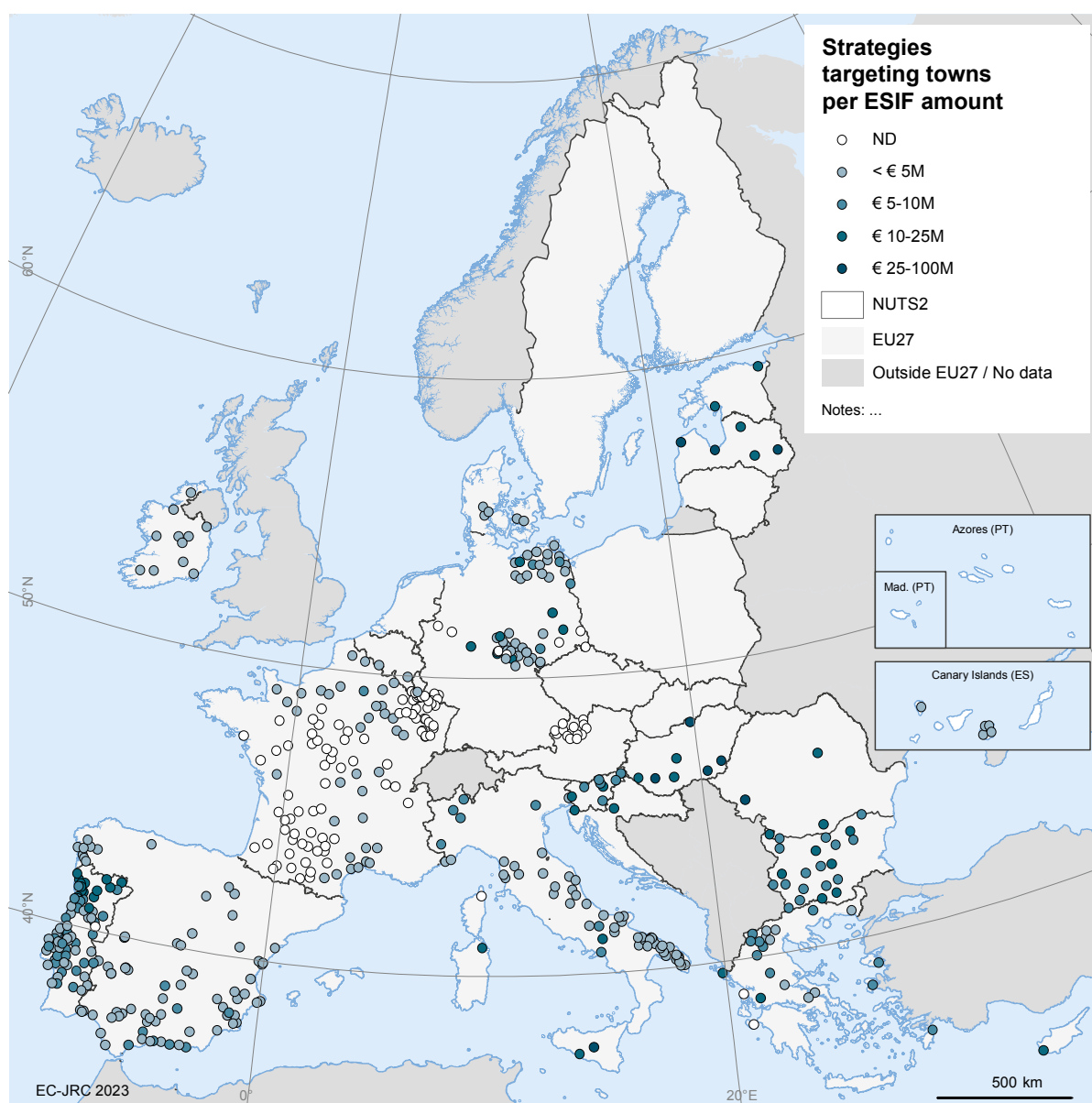
31   In 2014-2020 the cohesion policy was funded through the European Structural and Investment Funds (ESIF), which included the European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF).

32   In START-Board, there is an amount of strategies lacking the relevant data on budget allocation, so for this analysis a sample of 385 SUD strategies has been considered, from the total of 507 that target towns.

sample, have a large budget, corresponding to more than 25 million EUR, and they are mainly located in Latvia and Hungary (Fig. 15).

STRAT-Board data gives information on the keywords[33] associated with the strategies. Strategies can have more than one keyword, which represent in detail the main topics tackled.

The following word cloud (Fig. 16) shows the use of keywords in SUD strategies targeting towns. The most recurrent ones are **mobility** and **social inclusion,** followed by **energy, culture and heritage, low carbon, disadvantaged neighbourhoods** and **air quality.** These are in fact all important topics for current urban development, and they are at the centre of several of the policy approaches outlined in Part II of this report.

Moreover, it is particularly worth noting the **topics that are more used by towns as compared to cities.** A comparison of the two (Fig. 17) shows for example that **mobility** is more prominent in towns as compared to cities, although it is relevant for a similar number of strategies. This analysis also brings to light how topics linked with the spatial fabric of urban areas, in particular **abandoned spaces, public spaces, housing** and **spatial planning,** are all significantly more recurrent in strategies targeting towns with respect to cities. On the other hand, topics linked with the promotion of smart and innovation ecosystems, as for example the digital transition, entrepreneurships and SMEs, education, social innovation, research and innovation are all more prominent in cities with respect to towns.

Figure 16. Keyword cloud for SUD strategies targeting towns.

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33   The survey at the base of STRAT-Board provided a list of 34 keywords: Social inclusion; Air quality; Housing; Circular economy; Digital transition; Mobility; Jobs and skills; Energy; Climate adaptation; Urban-rural linkages; Nature-based solutions; Governance; Entrepreneurship and SMEs; Health; Ageing; integration of migrants and refugees; Research and innovation; Abandoned spaces; Culture and heritage; Youth; Low carbon; Education; Social innovation; Disadvantaged neighbourhoods; Gender equality; Participation; Public spaces; City management; Spatial planning, Sustainable Tourism; Smart Specialisation; Rural development; Coastal development; Diversity.

Figure 17. Number of strategies targeting towns and cities per keyword used.

■ Keyword use in towns   ■ Keyword use in cities
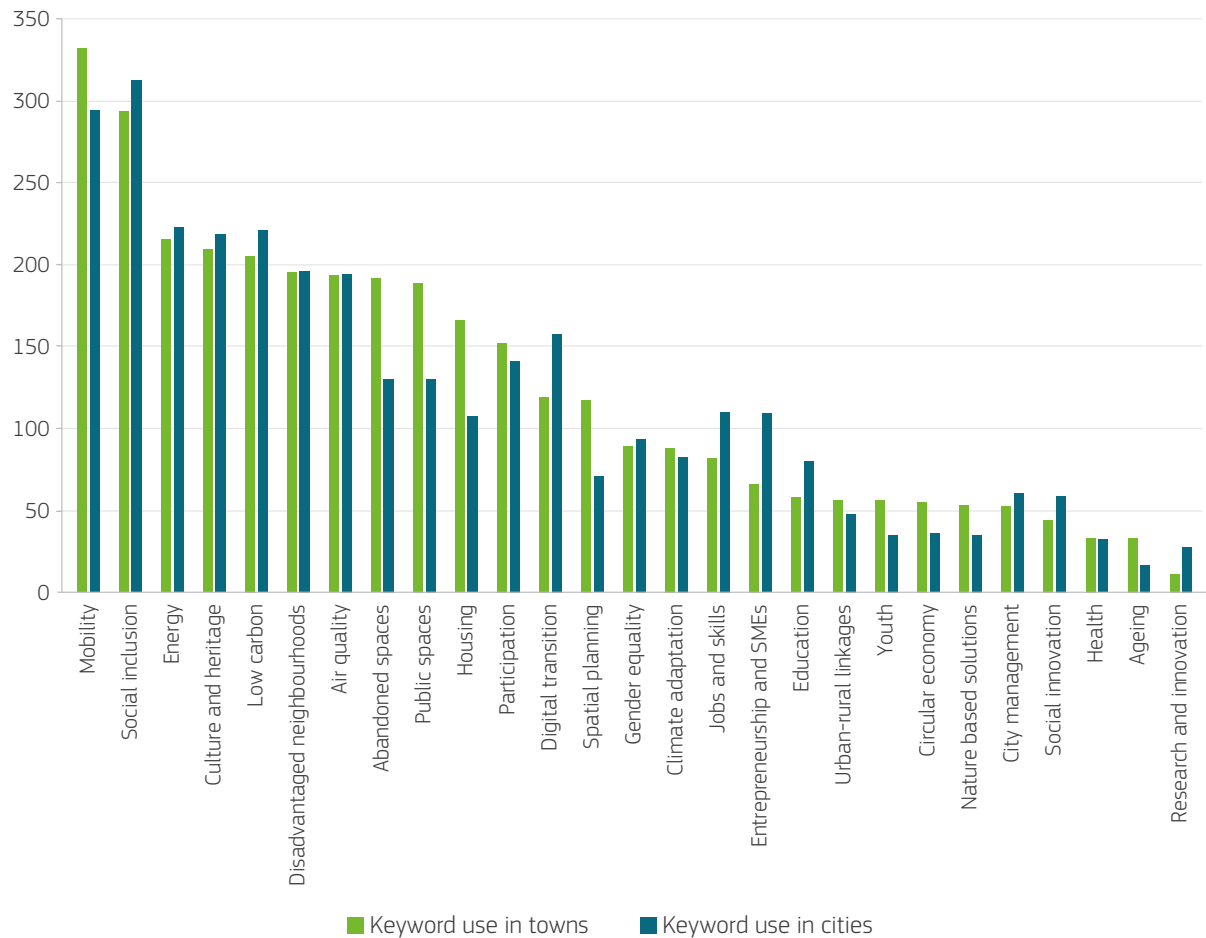
Administrative and strategic capacity in towns

As seen in Part I of this report, literature claims that SUAs have typically less administrative capacity than larger cities. In turn, this can **hinder the actual capacity of local administrations** to design and implement **SUD strategies with high levels of complexity.**

A comparison between SUD strategies in towns and cities can shed light in this aspect.

A first element concerns the **strategic capacity of local authorities.** SUD, as promoted by the EU cohesion policy, emphasises the importance of having a strategic framework in place (Fioretti et al., 2020).

Although STRAT-Board data doesn't provide specific evidence on the actual strategic capacity of local administrations, it does give information on previous experiences in strategy making. Looking at the **strategy history** data (Table 2), assessing whether the SUD strategy was designed from scratch or if it was based on a previous strategy, shows similar figures for cities and towns. There is a **slightly higher percentage of strategies based on previous ones in the case of towns,** this being the case for up to 60.9 % of strategies in towns versus 50.4 % in cities. From this it can be deducted that towns do have strategic capacity, or at least that strategic planning is not new for them. At the same time, it could also mean that they rely on traditional approaches and are not able to break with path dependency and introduce innovative processes.

Table 2. Strategy history. Comparison between strategies targeting towns and cities.

Strategy history	Strategy targeting towns	Percentage	Strategy targeting cities	Percentage
The strategy is the continuation of an earlier strategy	60	11.8%	47	9.7%
The strategy is composed of both pre-existing and novel elements	249	49.1%	197	40.7%
A completely new process was undertaken to develop the strategy	152	30.0%	183	37.8%
No data	46	9.1%	57	11.8%
Totals	**507**	**100%**	**484**	**100%**

Another element that can be considered is the capacity to **adopt a cross-sectoral integrated approach.** This is in fact one of the building blocks of the EU's cohesion policy approach to SUD, which aims to produce **complementarities among actions in multiple policy areas** (Fioretti et al., 2020). In order to do this, cohesion policy envisages the **possibility of combining multiple themes and even different types of funds,** although this increases the complexity of the process.

For what concerns **funding,** it is worth noticing that within the cohesion policy structures different funds are more suitable for different things. For example, the ERDF and Cohesion Fund can be suitable for funding smart and green infrastructure, while the European Social Fund (ESF)[34] can better support employment and social inclusion.

Looking at the picture emerging from STRAT-Board data (Table 3), it is possible to see that **SUD strate-**

Table 3. Comparison of the combination of multiple funds in SUD strategies targeting towns and cities.

SUD strategy targeting towns			SUD strategy targeting cities		
Number of funds	Number of strategies	% of total strategies	Number of funds	Number of strategies	% of total strategies
1	450	88.9%	1	374	75.9%
2	51	10.1%	2	92	18.7%
3	4	0.8%	3	27	5.5%
4	1	0.2%	4	0	0.0%
Total	**506***	**100%**	**Total**	**493%**	**100%**

* Missing data for EL-035

34   In 2021-2027 called European Social Fund Plus (ESF+).

gies targeting towns are **less likely** as compared to cities to **combine different sources of funding.** In fact, the percentage of strategies using exclusively one fund, that is to say ERDF, is 88.9 % in towns and 75.9 % in cities. Only a small percentage of strategies in towns (10.1 %) combines two funds, and only five strategies combine more than two. These five exceptional cases are located in Germany, Slovenia and Latvia where the strategy of the SUA of Jurmala combines the ERDF with the ESF, the Cohesion Fund and the European Maritime and Fisheries Fund.

As already mentioned, during 2014-2020 the cohesion policy had **11 TOs covering a wide range of investment priorities.** The analysis shows that **strategies targeting towns are less ambitious in combining several of these in comparison to cities.** In particular, the **majority of strategies in towns combines up to three TOs,** corresponding to

53.8 % of strategies, while in cities this percentage corresponds to 34.3 %. On the contrary, in cities it is more common to integrate four objectives or more (58.4 % in cities, and 37.1 % in towns) (see Fig. 18).

It is important here to stress that even though bundling multiple TOs and funds allows strategies to be more holistic and respond better to the specific challenges and needs of the territory in an integrated way, it is also possible to achieve cross-sectoral integration with a limited number of TOs and the use of a single fund. In particular, in the 2021-2027 programming period, PO5 – being a cross-cutting policy objective – allows precisely for having more flexibility in the policy area mix using a single PO and consequently considerably reducing the level of administrative complexity. This new option makes the path towards cross-sectoral integration easier for towns with less administrative capacity.

Figure 18. Percentage of strategies targeting towns and cities per number of thematic objectives used.

■ % of strategies targeting towns   ■ % of strategies targeting cities
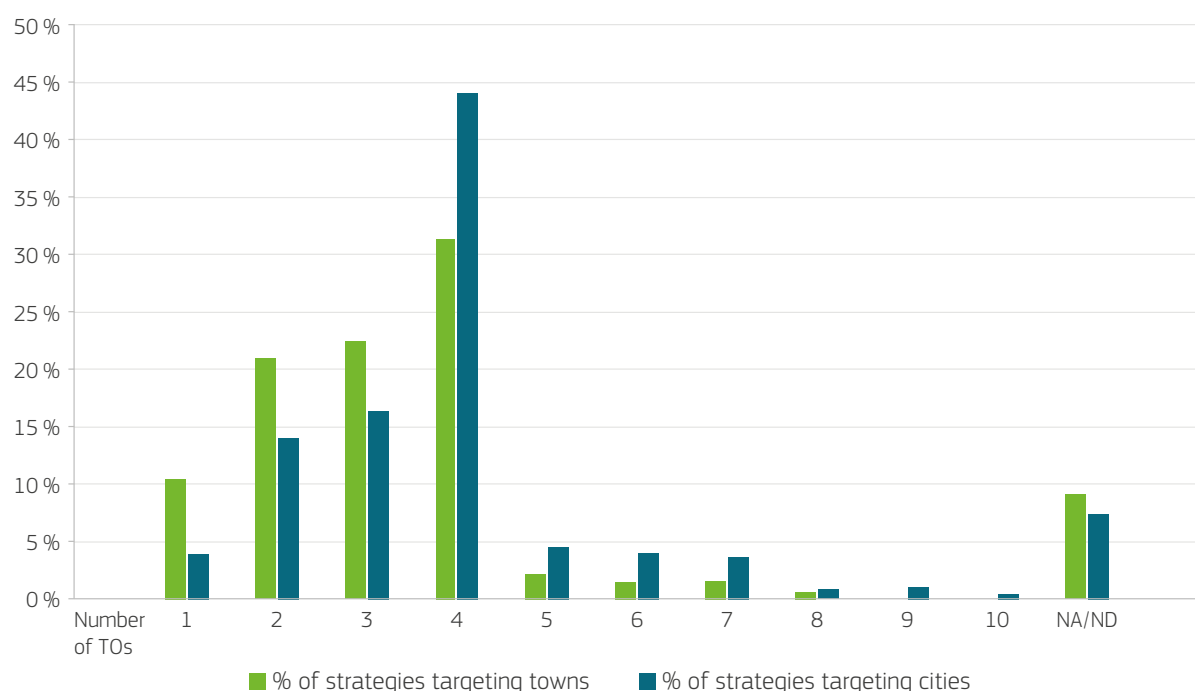
Case Studies of Sustainable Urban Development in Small Urban Areas

The last part of this report is dedicated to **concrete examples** demonstrating how integrated SUD strategies represent a significant instrument for SUAs to rethink their development path while tackling their challenges. Using the information available in STRAT-Board, seven cases have been identified amongst SUAs[35] belonging to different territorial contexts. They are SUD strategies that demonstrate a **certain degree of policy integration** and that therefore could serve as **inspiration,** not only regarding the actual solutions implemented but also for the creation of the methods and processes put in place in order to achieve desired outcomes or goals. In this regard, the **operational challenges** faced by SUAs in the design, set-up and implementation of the SUD strategies have been categorized according to the **six building blocks** identified by the *Handbook of Sustainable Urban Development Strategies,* namely: **Strategic Dimension, Territorial Focus, Governance, Cross-Sectoral integration, Funding** and **Finance, Monitoring.** Key messages have been determined in order to facilitate a policy learning process for policy-makers dealing with sustainable urban development in SUAs. Interviews with key municipal actors have been undertaken so as to complement the information deriving from policy documents and reports. The seven cases addressed in this section are:

- Cuneo (Italy)
- Fundão (Portugal)
- Kilkenny (Ireland)
- Lebach (Germany)
- Lucena (Spain)
- Salgótarján (Hungary)
- Ventspils (Latvia)

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35 The population reported for each case study refers to the municipality population and has been taken from EUROSTAT data 2018.

Cuneo

ITALY

56 203 inhabitants

CITY PROFILE

Located in the south-west Piedmont region of northern Italy, Cuneo sits at the foot of a range of Alpine valleys and boasts views of the surrounding plains. The city's unique geographical features, bounded by the Stura and Gesso rivers, pose challenges for accessibility and urban mobility, particularly for those who rely on alternative modes of transportation to private cars. Despite these challenges, Cuneo serves as a key transportation hub for its province, connected through regional mobility networks made of public transport (buses and local trains) as well as the A33 highway. As the major economic centre in the south-west Piedmont region, Cuneo maintains a close connections and cooperation with the main actors (producers, businesses etc,) of the regional economy. The area's high-quality agricultural products play a critical role in the local economy and serve as a major draw for food and wine tourism throughout the region.

Main development challenges

Cuneo presents a lack of internal demographic growth, which is primarily due to its ageing population and low birth rates. Despite this, Cuneo has recently performed well in labour market terms, showing important decreases in unemployment rates, which has positioned the province among the top-ranking provinces in Italy. In addition, Cuneo suffers several challenges that can be summarised

under the 'accessibility' concept and unfolded in various dimensions.

_Geographical. The municipality suffers from connectivity issues caused by its location and morphology. Despite recent efforts to improve mobility in the city through public transportation interventions and the promotion of active mobility (including the closure of its historical centre to cars), the municipality still experiences important problems. Connections between neighbourhoods, green spaces, river parks, and tree-lined paths are weak and primarily rely on private transportation.

_Social. Recently built peripheral neighbourhoods suffer from inhomogeneous public services and spaces, which limits residents' opportunities to easily access green, social, or cultural areas. This issue negatively affects the quality of life for residents and makes the city less appealing to potential newcomers.

_Touristic. Cuneo's stunning natural surroundings, its Alpine landscape and high-quality agri-food production make it an attractive destination for tourists. However, despite efforts to highlight these assets, the city has poor accessibility, which undermines its reputation as a tourist destination. The urban centre is overshadowed by the surrounding area's wealth and struggles to attract visitors due to a lack of proper services, recognisable landmarks and popular hotspots.

Keywords   ABANDONED SPACES/BUILDINGS   POOR SPATIAL CONNECTIVITY   ISSUES IN HERITAGE PRESERVATION

STRATEGY

Total ESIF contribution	EUR 8 105 285
Funds	ERDF
Implementation mechanism	Priority Axis for Sustainable Urban Development
Thematic objectives	TO2. Quality of information and communication technologies; TO4. Low-Carbon Economy; TO6. Environment and resource efficiency
Implementing body	Municipality of Cuneo
Managing authority	Regione Piemonte
Type of region	More Developed Region

Description of the strategy

In order to tackle the development challenges mentioned earlier, the strategy identifies as a specific target area the former Montezemolo Barracks (M.B.) – a crucial site located at the intersection of the historical centre with an area of newly constructed neighbourhoods. The objective is to revive the area's cultural and environmental heritage and make it more accessible to the local community, enriching the town with multifunctional buildings and green spaces. An important aspect of this plan is the establishment of strong connections between the M.B. area and other cultural and landscape assets, such as the river park and Cuneo's tree-lined alleys.

The strategy includes six macro-actions:

- sustainable urban regeneration: refurbishment and re-functionalisation of the site following sustainability and circularity principles;
- M.B. as a community hub: creation of a multifunctional space hosting services in the field of culture and creativity, education, family sup-

port, job and entrepreneurship, technology and communication;
- M.B. as makerspace and re-use centre: respectively the creation of a laboratory for tech start-ups and enterprises, and the creation of a 'repair space' open to all based on sharing economy principles;
- M.B. as exhibition space: creation of an area for performative arts, food and wine exhibitions and events;
- implementation of new digital services improving life quality and urban experience of inhabitants and visitors;
- smart mobility and new connections for a cleaner and more sustainable city.

Policy challenges in strategy making

First Policy Challenge

TERRITORIAL FOCUS

The strategy has its focus on a specific area of the city, namely the Montezemolo Barracks (M.B.) district. The main challenge here was the place-based nature of the interventions, which could run the risk of designing a strategy that was solely limited to the needs of this particular area, without considering the broader territorial context. The strategy overcame this critical node designing a multi-scalar and coherent set of actions that take into account various dimensions:

- **local:** by improving the M.B. area and its surroundings;
- **urban:** by revitalising the identity landmark of the town through a renovated design and better connections;
- **territorial:** by developing a new image of the city, enriched with socio-cultural/environmental functions for both inhabitants and visitors.

The strategy identified first an overarching guiding concept, consistent with the specific territorial focus

and integrated with the different territorial scales. It then designed a set of interventions within this coherent framework.

Second Policy Challenge

CROSS SECTORAL INTEGRATION

The Cuneo strategy was implemented through a series of actions that addressed a variety of topics such as mobility, redevelopment, ICT and environment. These actions were integrated into a cohesive framework centred around the concept of 'accessibility'. The strategy emphasised this concept across various intervention fields, all aimed at achieving the same goal. This approach ensured coherence in the principles and objectives across different policy areas, already starting from the policy definition stage. In addition, during the strategy implementation, Cuneo's municipality demonstrated a strong commitment to policy integration by organising periodic meetings among all the municipal managers responsible for different areas of intervention within the strategy. This helped circulate critical information regarding the whole set of actions designed in the strategy and promoted cooperation among actors from different policy areas.

LOCALIZZAZIONE, ACCESSIBILITÀ E FRUIBILITÀ
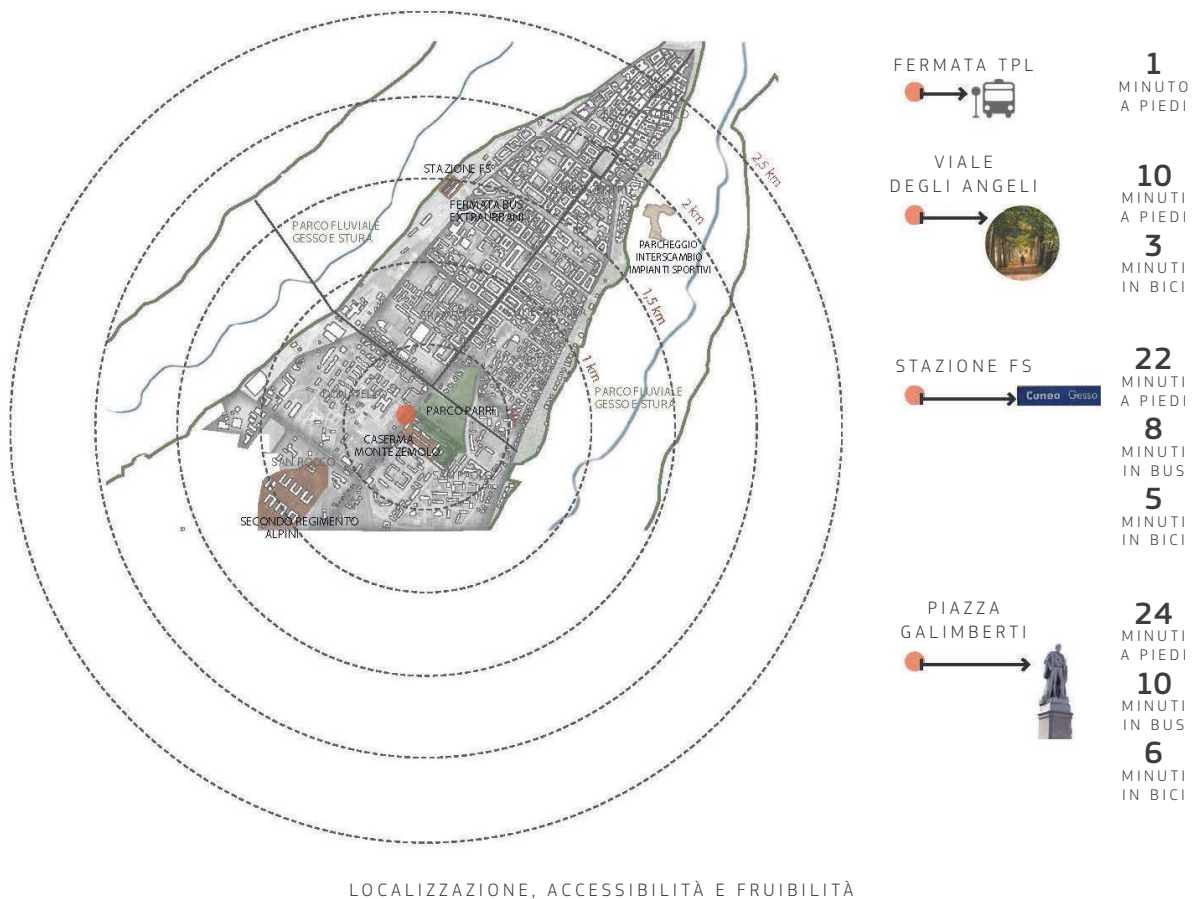
Localisation and accessibility of Montezemolo Barracks site.

Source: Cuneo Municipality

PROJECTS

Connections between 'Montezemolo Barracks' tourist-cultural hub and the 'Viale Angeli and Gesso Stura river park' environmental-cultural hub

One of the key projects of Cuneo's Strategy is the implementation of functional and ecological connections between the M.B. cultural and touristic hotspot and the pole of environmental relevance made by the Viale degli Angeli and the Gesso and Stura river park. The allocated budget for the project is EUR 3 650 000, of which EUR 2 920 000 are financed through the regional ERDF operational programme and EUR 730 000 through Cuneo Municipality funding. The typical tree-lined alleys, and in particular Viale degli Angeli, are of fundamental importance to the city for their historical, environmental and cultural value. Moreover, they constitute the tangible link between the environmental heritage of the Gesso and Stura river park and the historical heritage of Cuneo. As a result, interventions are being undertaken to improve the trees, roads, paths, streams and sidewalks, as well as to enhance and promote the Gesso and Stura river park. The connection between the two poles and the redesign of the tree-lined avenue system involves a strategic implementation of mobility moderation and management interventions. In fact, favouring slow mobility, the project will promote healthy and sustainable habits among the residents, at the same time restoring a natural heritage and making it even more enjoyable for touristic aims. Through the creation of a new urban landmark, the project aims to promote the natural and cultural assets of Cuneo, thereby contributing to the creation of an attractive image of the city. Together with other projects included in the strategy, this initiative will position Cuneo on the regional tourist map, resulting in the creation of new job opportunities and boosting territorial marketing efforts.

RE-DISCOVERING UNIQUENESS

Montezemolo Barracks regeneration into a 'Community Hub'

Another project of key importance is the creation of a community hub, regenerating the former Montezemolo Barracks into a multifunctional place managed by the local community and aimed at promoting generative welfare, local development, culture and creativity. The allocated budget for the project is EUR 1 800 000, of which respectively EUR 1 440 000 from the regional ERDF operational programme and EUR 360 000 from Cuneo Municipality. The community hub will host multiple services and activities including cultural and education initiatives, parental support to childcare (especially for migrant families and new parents), as well as a career centre and co-working space, video making lab and sustainability practices. The project aims at increasing social cohesion both at a local and urban scale, being open to a wide range of social groups and meeting diverse needs through flexible uses. By leveraging its socio-cultural assets, the project will contribute to creating an attractive image of Cuneo through the development of a new urban landmark. Furthermore, the project will boost the local economy through new job creation, reactivating both the place and its community.

RE-ACTIVATING PLACES FOR PEOPLE AND COMMUNITY
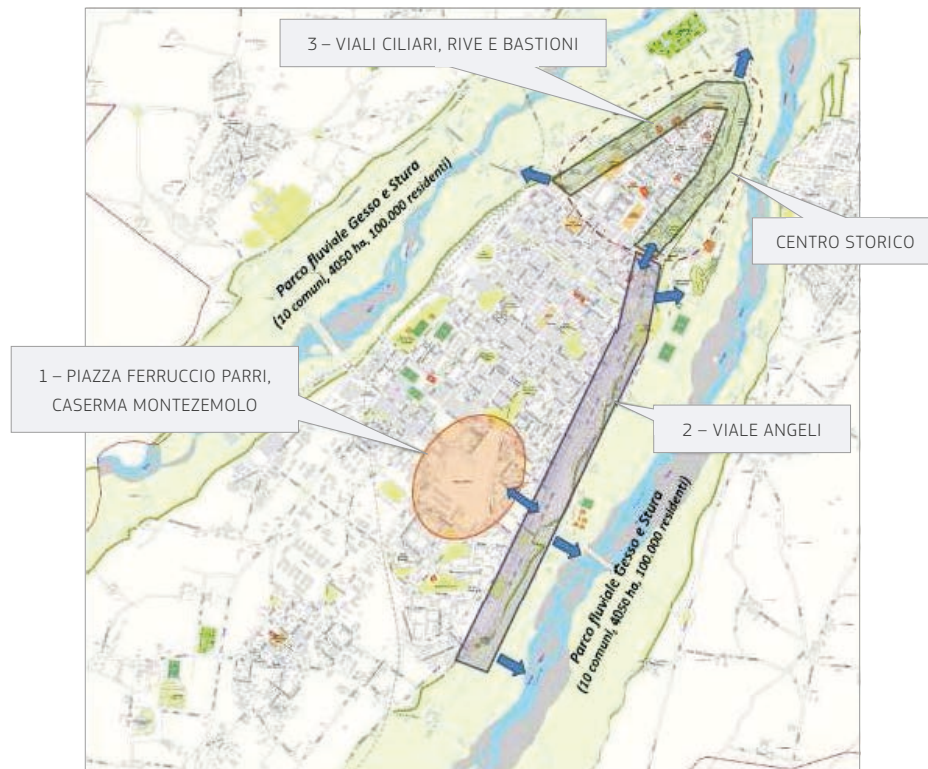
Localisation of Montezemolo Barracks site (red circle) and its connections with Cuneo environmental, urban and historical landmarks (river parks, tree-lined alleys and city center).

Source: Cuneo Municipality

New buildings rendering seen from Corso Francia, main access to the city.

Source: Cuneo Municipality

KEY MESSAGES

- In order to make the strategy more effective, it is useful to **identify the common thread underlying the development challenges and opportunities of the territory,** and from that to establish a strong **conceptual framework** guiding the whole strategy. This will also strengthen the cross-sectoral integration of the strategy.

- When the strategy is area-based and targets a specific district, it can have a wider impact if it is implemented through a **set of actions that respond to different multiscalar challenges** (local/urban/territorial).

- In particular for SUAs, raising the **quality of life of residents may represent a competitive advantage** for becoming attractive for tourism and other economic activities.

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https://www.regione.piemonte.it/web/temi/sviluppo/sviluppo-territoriale/strategia-urbana-cuneo-accessibile#

Fundão

PORTUGAL

29 213 inhabitants

CITY PROFILE

The municipality of Fundão belongs to the Castelo Branco district and is located in the central region (NUTS II) and in the sub-region of Cova da Beira (NUTS III), occupying an area of approximately 700 km². Fundão is the second most populous municipality of Cova da Beira. It is connected to regional and intercity rail lines as well as to the A-23 motorway. The municipality is part of the Urban Axis of Beira Interior and profits from its proximity to three important urban centres, namely Covilhã to the north, Guarda to the northeast and Castelo Branco to the south. Fundão is traditionally an agricultural and commercial centre, although the service sector is recently gaining more importance. Despite its peripheral nature, Fundão has been able to settle and attract people, mainly due to its diverse economy and infrastructures, particularly in the sectors of education, agriculture, tourism and energy. In this sense, the urban pole Covilhã-Fundão has taken on an important role within the urban axis of Beira Interior, with the regional plan PROT Centro, defining it as a key factor for increasing the relative competitiveness of the province and territorial cohesion.

Main development challenges

Fundão is experiencing the weakening of its local economy similar to that experienced by most municipalities of the interior of Portugal – due to lack of investment and attractiveness. In addition, it is facing an ageing challenge due to both the decrease of the birth rate and the delocalisation of the population, especially of the younger and most skilled. At the time of the strategy's drafting, in 2012, the municipality's demographics were showing an overall increase in the ageing index from 173.82 to 235.67 between 2001 and 2011. The aging of the population and the decrease in urban activity had a particular impact on the historic quarters, which were in a process of abandonment and disrepair. It was again the elderly, more likely to live within this area, who suffered from a loss of quality of life. Fundão had seen a reduction in value of the primary and secondary activities, in favour of the relevance of the tertiary sector. Between 2001 and 2011, the employment in agricultural and other sectors (e.g. energy, water, construction) had dropped, leading to a steep increase of the unemployment rate, from 5.3 % to 14 %.

Keywords (AGING) (POPULATION DECLINE) (UNEMPLOYMENT)

STRATEGY

Total ESIF contribution	EUR 4 250 000
Funds	ERDF
Implementation mechanism	Priority Axis for Sustainable Urban Development
Thematic objectives	TO4. Shift towards a low-carbon economy; TO6. Environment and resource efficiency; TO9. Social inclusion, poverty and discrimination
Implementing body	Municipality of Fundão
Managing authority	Comissão de Coordenação e Desenvolvimento Regional do Centro
Type of region	Less developed region

Description of the strategy

The overarching objective of the Plano Estratégico de Desenvolvimento Urbano (PEDU) is to consolidate previous initiatives towards improving Fundão's economic competitiveness, through the usage of EU funding. The focus is on improving the urban ecosystem for the most vulnerable resident population – the elderly – as well as to attract business and activities, while retaining the young population.

The strategic objectives are:

- to develop the connection of the city centre with the rest of the urban space and its natural surroundings by encouraging soft mobility and reinforcing the transport intermodality, thus reducing costs and carbon emissions;
- to diversify the business base of the city;
- to revitalise the town by attracting young talent;
- to regenerate the urban space towards improving its quality of life indicators;
- to enhance local markets and the value chain of agro-food, in order to activate a rural town

'life-style' as a factor to attract people and businesses;
- to stimulate private initiatives that offer public and social services;
- to give elderly residents better conditions for health, well-being and active ageing;
- to strengthen the offer of public health services with new services.

The main axes of intervention are reflected in three plans: a Sustainable Urban Mobility Plan (PMUS); an Urban Regeneration Action Plan (PARU); and an Integrated Action Plan for Disadvantaged Communities (PAICD).

Policy challenges in strategy making

First Policy Challenge

GOVERNANCE

A double challenge was identified early in the strategy's formulation, which consisted in the need to involve both the community and the private investors.

In particular, inhabitants expressed scepticism about the transformation of the traditional economic sectors with an innovative outlook based on digital technologies. It was therefore crucial to conduct a thorough consultation process that lasted six months and consisted in several events. An informal managing consortium was also created, including local public bodies, private stakeholders and academic institutions. This allowed pinpointing critical areas of improvement and strategic priorities, as well as communicating effectively the need for innovative policies.

Private developers also remained sceptical for the first years of the strategy's implementation, especially regarding the retrofitting of existing buildings and housing, which was a key activity meant to make urban renewal a pivot between the strategy's social and economic endeavours. In this case, the municipality decided to lead by example, developing initiatives towards the reuse of their empty buildings

in order to generate demonstrative effects in terms of their viability and advantages.

The whole process benefited from the strong political support of the mayor, who sponsored the pursuit of long-term goals. This meant not only championing the strategy, but personally overseeing the four person in-house technical team in charge of drafting the three plans of the strategy.

Second Policy Challenge

MONITORING

Once that the PEDU was drafted, the monitoring of its performance and its actions was an important concern, so in 2013 an urban observatory was created. The inspiration for this initiative came from the previous experiences of the European Network of Living Labs, when the Living Lab of Cova da Beira was created. Although the observatory does not have a dedicated budget within the strategy, monitoring became one of the main activities of the managing consortium, with particular input from the University of Beira Interior. The establishment of the observatory has provided an information structure for more agile implementation and adjustment of policies. Additionally, the observatory is proving to be invaluable in the current drafting of follow-up strategic lines for the upcoming funding calls, going beyond the realm of the PEDU and contributing to the achievement of its objectives in the future. Nevertheless, it still remains a challenge to make the observatory a more effective communication tool. At the time being, its main outputs come in the shape of reporting, but the municipality is already envisaging to implement digital tools that may render the data to the community in a faster, more open and transparent manner.
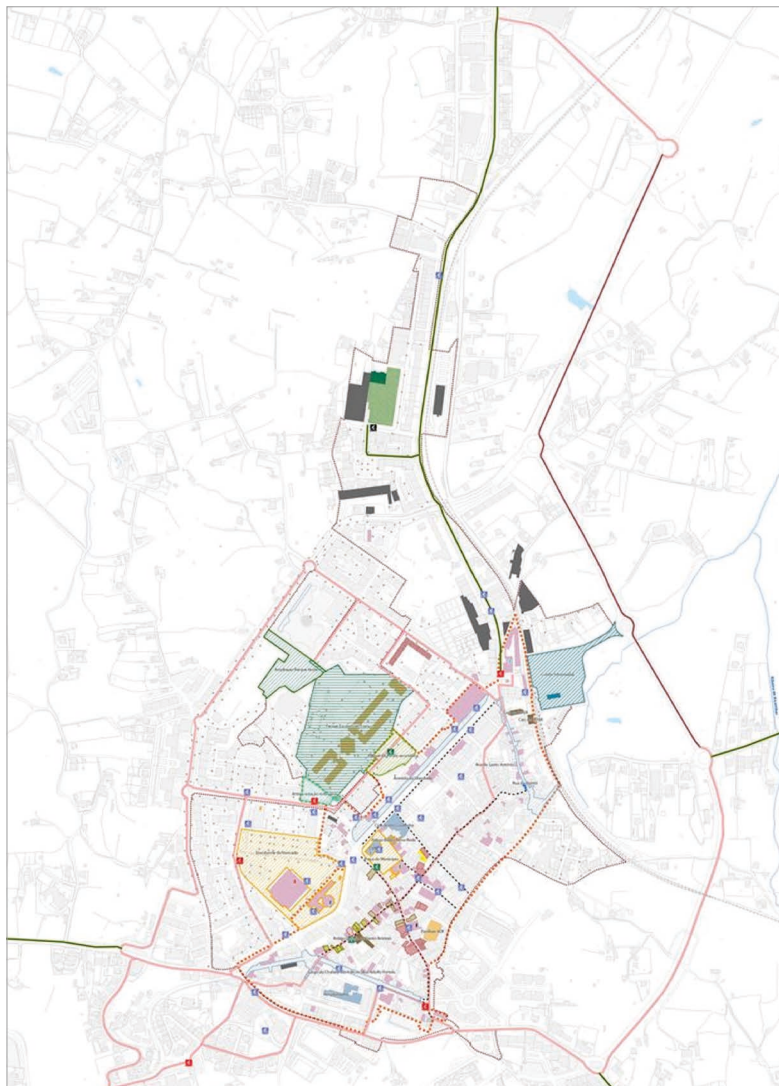
Urban Development Strategic Plan (PEDU): distribution of actions in the urban renovation area.

Source: Fundaõ municipality.

PROJECT

Recuperating the former ERES factory for jobs creation

The rehabilitation of the former ERES factory is a project that was flagged in the PEDU and has been funded through the JESSICA initiative (Joint European Support for Sustainable Investment in City Areas). The old industrial building, which had been abandoned for over 15 years, has been transformed to host innovative industries that would bring job opportunities. Due to prolonged disuse, the building – with its more than 10 000 square meters – was in poor condition, posing substantial investment requirements for any possible incoming company. Additionally, it was owned by a bank as a result of a seizure. The town council facilitated the creation of a public-private partnership with the owner of the premises and a manufacturing company interested in setting up their activity there. An agreement was reached for the bank to undertake the retrofitting of the building and then rent the space to the entrepreneurs. The manufacturing company's activities in the production of materials for international luxury brands envisioned the creation of 150 jobs, including skilled workers in computer numerical controlled machining and building up on the existing crafting expertise in Fundão. The municipality offered various supportive programmes to both the company and its employees, including tax incentives and economic and administrative aid. Companies received benefits based on the number of new job opportunities created, while workers were given personalised assistance and financial support for securing accommodations, boosting the comparative advantage that smaller towns had over large cities in Portugal in the current real estate market. Also, an advanced training centre – created by the municipality to cater specific skill-building needs of the new enterprises' operations – represented another significant aspect contributing to the success of the venture.

RE-DISCOVERING UNIQUENESS

RE-ACTIVATING PLACES FOR PEOPLE AND COMMUNITY

Old ERES factory after renovation.

Source: Fundaõ municipality.

KEY MESSAGES

- When a strategy needs to mobilise comparatively large resources, it is important to have **political support in the medium to long term.** Having the commitment of the mayor and the **support of the local community** (thanks to a public consultation processes) and private stakeholders are important steps to ensure the success of the strategy and its continuity in subsequent programming periods.

- Smaller towns need to focus on their competitive advantages. It is important to start by analysing the **territory for outstanding values** (e.g. craft making, agriculture, small-town lifestyle) and make them a springboard for **creating synergies and pooling resources, helping them reach wider markets.**

- Often, initiatives in other towns have already proved successful and can be adapted to the challenges at hand. Seeking **involvement in EU-wide projects and networks** can become an important source of inspiration during the drafting of a strategy.

References

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Kilkenny

IRELAND

28 951 inhabitants

CITY PROFILE

Kilkenny is a town in County Kilkenny, Ireland. It is located in the polycentric region of the south-east Region (NUTS III). The municipality plays the role of hub for the region, with a number of state and regional agencies having recently been relocated in its territory and causing consistent population growth over the last decades. This expansion has resulted in the need for necessary infrastructure improvements, such as the expansion of its ring roads and the opening of the M9 highway, which connects the town to Dublin and Waterford. Kilkenny County has a diversified economic base that comprises sectors such as agri-food, engineering, creative industries, construction, retail, tourism, arts and leisure, financial services, information technology and associated research and development. The agriculture sector remains the most important sector, employing a proportion of the labour force that is almost twice that of the national average. The city has a high profile nationally and internationally as a centre for tourism, becoming one of Ireland's most visited towns, also due to its architectural heritage and the presence of a well-preserved medieval historical centre.

Main development challenges

The city has experienced important economic challenges, mainly related to the decline of the manufacturing sector, the consequent over reliance on construction and a reduction of skills, resources and funding feeding small business. This has led to the increase of the unemployment rate, especially amongst the young population, reducing the overall attractiveness of the area. In addition, Kilkenny is currently suffering from a housing scarcity problem caused by the decrease in the construction of new houses in the city and its surrounding areas, coupled with its growing population. As with other areas of the economy, the tourism sector has experienced significant challenges. Visits remain highly seasonal in the area, and the statistics show that the number of tourists to Ireland as a whole had declined significantly since 2007.

Keywords   UNEMPLOYMENT   HERITAGE PRESERVATION   LACK OF GREEN AND BLUE INFRASTRUCTURE

STRATEGY

Total ESIF contribution	EUR 1 000 000
Funds	ERDF
Implementation mechanism	Priority Axis for Sustainable Urban Development
Thematic objectives	TO6. Environment and resource efficiency
Implementing body	Kilkenny County Council
Managing authority	Southern Regional Assembly
Type of region	More Developed Region

Description of the strategy

The Kilkenny City & Environs Development Plan 2014-2020, adopted in 2014, made provisions for the drafting of a Master Plan aiming at the redevelopment of Smithwick's brewery site, a 5.5 ha formerly industrial zone adjacent to the city centre, on the right bank of the river Nore. The site, having been separated from the rest of the town for 300 years, was purchased by Kilkenny County Council after the international drinks company Diageo ceased its activities in the area. In compliance with national environmental directives, the local development plan had to take into account the strategic challenge of eutrophication in Ireland's waterways. The plan also needed to align with the National Climate Change Adaptation Framework. For a site located on a river bank, this involved identifying and addressing flood risks during the planning process. The council focused its interventions in promoting economic recovery, while also preserving the natural and built heritage of the area, leading to the creation of the Abbey Creative Quarter. This initiative aims to:

- develop Kilkenny as a compact, sustainable city;
- support the economic strategy, the protection of the environment and heritage and sustainable economic growth and employment;
- integrate citizens' requirements regarding housing, social, community and cultural life;

- protect and improve recreational, tourism and arts facilities;
- protect and manage heritage in a sustainable way;
- promote and facilitate renewable energies and energy efficiency;
- favour public transport, cycling and walking;
- encourage the improvement of quality living and working environments.

ERDF funds destined for Sustainable Urban Development (SUD) measures were brought in for some strategically chosen actions of the master plan, mainly destined to rolling out the public spaces that would connect and open up the area to the public, facilitating housing and tertiary developments.

Policy challenges in strategy making

First Policy Challenge

GOVERNANCE

In Kilkenny's Local Action Plan, the County Council decided to improve their engagement with members of the local community and relevant stakeholders prior to the formulation of plans for projects. Moreover, the purchase of Smithwick's brewery site had come at a moment of limited acceptance of prior unrelated urban initiatives from the public. The Abbey Creative Quarter was bound to be a project of unusually high profile, due to its sheer scale compared to the town's size, the amount of resources it involved and its potential to reshape the core of the town. As a result, it was decided from the outset that the Master Plan would be drafted along with a thorough public consultation process, both employing the council resources and external facilitators. It was undertaken at several levels; advice was sought from highly regarded experts in the fields of architecture and heritage through a series of workshops and two engagement initiatives with citizens were held. At all stages of the project a thorough information campaign has been unrolled, which continues today as the different phases are executed and as

the Master Plan is revised over time. The resulting deliberations were taken to heart in the final proposal, even if it meant delaying the process and revising core assumptions. Issues regarding traffic and parking were considered, as well as ratios in the mix of uses that would guarantee that the new quarters would function in support of the dynamics of the town as a whole. The feedback coming out of the process is considered by the administration as overwhelmingly positive.

Second Policy Challenge

FUNDING AND FINANCE

In order to face an initially estimated budget of EUR 4.57 million, a small town like Kilkenny needed to bring in different funding schemes. The project is partly funded by Project Ireland 2040 (Urban Regeneration & Development Fund), the ERDF (Designated Urban Centre Grant Scheme) and the National Tourism Development Authority Fáilte Ireland, which supports authorities and stakeholders in the pursuit of tourism models that contribute to long-term sustainable growth. The scope of the initiative also meant that the local authorities needed to acquire out of the ordinary financial capabilities to develop the buildings on the former brewery site. After purchasing the site, assistance was sought from the National Treasury Management Agency (NTMA) of Ireland, a state agency which provides asset and liability management services to government bodies. A partnership was established with the Ireland Strategic Investment Fund[36]. The two state bodies have set up a Limited Liability Company to manage the business on behalf of the partners, thereby allowing Kilkenny County Council to secure economic backing while the site remains an overall public asset. A large multifaceted project such as the development of the Abbey Creative Quarter meant resorting to different funding sources and schemes, which in turn required facing a variety of additional management and audit procedures. Although it required a considerable administrative effort, it was undertaken with in-house resources.
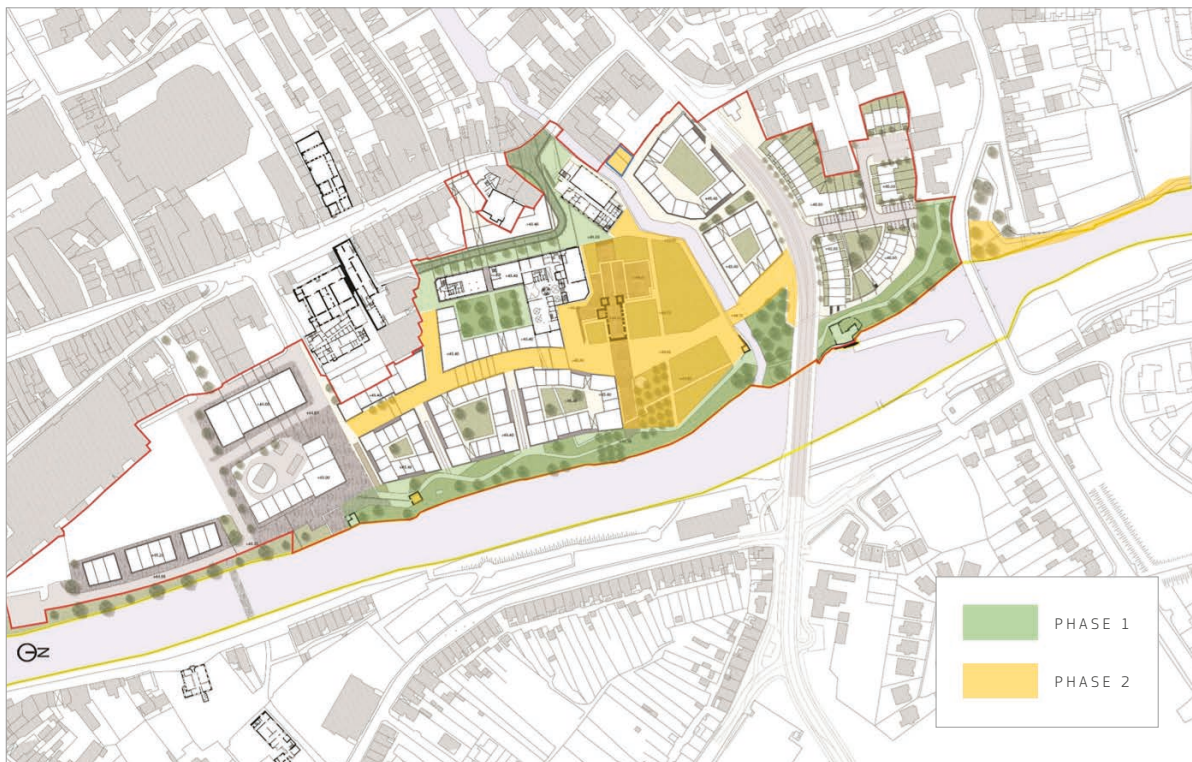
Execution phases of the master plan.

Source: Kilkenny County Council.

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36   The Ireland Strategic Investment Fund is a state fund managed by the NTMA and created to invest in a commercial business model to support economic activity and employment in Ireland.

PROJECT

Riverside Garden Project

The Riverside Garden Project is a park and walkway through the Abbey Quarter along the river bank. It opened to the public in June 2021. Its development was undertaken as part of the first phase of the Abbey Quarter Masterplan, in advance of the construction of the proposed new buildings. The project has a total budget of EUR 2.1 million, including EUR 300 000 from the ERDF (Designated Urban Centre Grant Scheme). The park consists of areas of hard and soft landscaping, and is the first project to create a connection between the site and the city. The main objectives of the project are to (1) support urban regeneration by reinforcing public spaces at an early stage, (2) improve resilience to climate change and (3) improve environmental quality.

The main features of this project are highlighted here below.

- Removal of the existing concrete slab and soil remediation.

- Flood risk mitigation measures to face a 1 000 year return event, by rearranging and raising ground levels.
- The project closes a gap between existing green and blue infrastructure. A selection of species is agreed with a qualified ecologist to ensure that it has no adverse impact on the existing Special Area of Conservation (SAC) or Special Protection Area (SPA) and the flora and fauna. Invasive species are substituted with native planting to increase biodiversity and to develop the character of a riverside park, reduce maintenance over time and contribute to its early development. The planting species are chosen to attract pollinators and other wildlife. The existing riparian planting is retained and reinforced.
- Provision of a shared pedestrian and cycle way, paved pocket spaces, seating areas, walkway lighting and universal access throughout.
- Display of heritage and archaeological features.
- The designation of the river as a candidate Natura 2 000 SAC and SPA.

RE-ACTIVATING PLACES FOR PEOPLE AND COMMUNITY

RE-CONNECTING WITH NATURE FOR A SUSTAINABLE FUTURE

View of the Riverside Garden after completion.
Source: Kilkenny County Council.

KEY MESSAGES

- It is particularly important to consider the **timeframes** involved when establishing an **effective cooperation** between different stakeholders and partners, so as to **ensure the relevant and necessary expertise,** while also carefully manage expectations.

- For a smaller administration undertaking a project of strategic scope, it is worth **allocating resources to public consultation** that may be out of the ordinary mechanisms used. It should start in the early stage of the process, continue throughout the subsequent revisions of the original plan, and **ensure a certain degree of flexibility for possible future revisions.**

- In particular for small local authorities, it is important to concretely assess the actual **management capabilities** and plan its activities accordingly. While EU funding can be beneficial, a complex project may require additional funding and financial mechanisms. The **integration of different funding** sources may necessitate adjusting to the standards and procedures of other entities, which may stretch the capacity of smaller administrations.

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Lebach
GERMANY

19073 inhabitants

CITY PROFILE

Lebach is located in the centre of the German state of Saarland, close to the French and Luxembourg borders. Due to its geographical location, Lebach fulfils important functions for the surrounding area, which is predominantly rural. It is a central residential and business location and its public and vocational schools serve the local population. The town has a high recreational value and is connected to Saarland's network of cycle paths, with various themed walks and numerous sports facilities. The Graf-Haeseler barracks in the town centre, home to the Eurocorps Telecommunications Company and the Airborne Reconnaissance Company, contribute to the economic activity. Lebach is easy to reach by car and train. A dense network of roads and motorways connects it with other cities, such as the state capital of Saarbrücken which is about a 30 minute drive. It is also close to important international hubs such as Frankfurt am Main and Luxembourg. The construction of the Saarbahn, a railway linking Lebach with Saarbrücken and other regions, has contributed to the population growth in recent years.

Main development challenges

One of the main challenges of Lebach concerns the energy performance of buildings and infrastructures, in particular of those in the inner city. Large parts of the buildings in the city centre were built between 1949 and 1978, while there are hardly any buildings built after 1995. The city centre is functionally mixed, combining residential, commercial, special construction areas and a few public buildings. Moreover, the majority of the buildings are single or multi-family dwellings and more than 50 % are mixed-use with commercial ground floors. The building characteristics – in terms of heritage, ownership and mixed-use – make energy-efficient renovation more difficult.

The transition to clean energy production is also a challenge. In this respect, it is worth noticing that 60 % of the buildings use natural gas, while the rest use fuel oil. About half of the buildings are connected to the district gas network. Solar roofs provide about 10 % of the electricity. There are no public power stations or electricity storage facilities in the city centre.

The city centre has an important recreational function, with a pedestrian zone that hosts shops and restaurants and serves daily commuters. To preserve and enhance its attractiveness, the city centre should have affordable housing, nature based solutions and sustainable public transport.

Keywords (POOR ENERGY PERFORMANCE OF BUILDINGS) (HERITAGE PRESERVATION) (ABANDONED SPACES/BUILDINGS) (LACK OF GREEN AND BLUE INFRASTRUCTURE)

STRATEGY

Total ESIF contribution	EUR 1 400 000
Funds	ERDF
Implementation mechanism	Priority Axis for Sustainable Urban Development
Thematic objectives	TO4. Low-Carbon Economy
Implementing body	City of Lebach
Managing authority	Ministerium für Inneres Bauen und Sport (Ministry of Interior Construction and Sports) – Saarland
Type of region	More Developed Region

Description of the strategy

The 'Integrated Energy Concept Lebach City Centre 'strategy is based on four pillars.

- **Energy efficiency.** Initiatives to reduce energy consumption include the energy-efficient renovation of municipal buildings, social infrastructure, construction and energy advice for the general public. Moreover, facade and roof greening with cooling effects aim at lower energy consumption.

- **Renewable energy.** The expansion of renewable energies is promoted by using brownfield sites as locations for open-space photovoltaic systems and by equipping suitable roof areas with photovoltaic systems. Combined heat and power (CHP) is the preferred technology to supplement fluctuating renewable energy production.

- **Urban planning**. Another pillar is the redesign of the pedestrian zone with a mix of amenities such as urban greenery, playgrounds, green facades and open promenades. The urban design also includes a permeable area from the pedestrian zone to the riverbank.

- **Mobility.** Another pillar is the strengthening and expansion of public transport. This includes a pedestrian and cycle path, electric bike and car stations and intelligent parking systems. In addition, a noise action plan in the area of the B268 and B269 roads will reorganise stationary traffic.

The strategy is part of the broader 'Integrated Climate Protection Concept' (2013), which aims to achieve climate neutrality by 2050.

Policy challenges in strategy making

First Policy Challenge

GOVERNANCE

One of the main objectives of the strategy is to promote the energy-efficient renovation of buildings (e.g. installation of solar roofs, greening of facades). At the same time, due to the large amount of private ownership and mixed-use buildings, the success of the strategy depends on the acceptance and involvement of citizens and local stakeholders.

To address this challenge, the city has adopted an integrated bottom-up approach with an emphasis on participatory elements. As part of the urban development programme 'Aktive Stadt- und Ortsteilzentren' [Active Town and District Centres], participatory processes started early in the process.

In 2012, Lebach set up a steering committee that brought together different stakeholders to share their perspectives. This committee included representatives from the retail sector, property owners, the transport association, representatives from parliamentary groups and the city council. Moreover, to encourage dialogue between stakeholders, the city appointed a centre manager to collect suggestions,

ideas and problems during regular consultation hours and coordinate them with the city. Citizens have also been able to contribute to the planning process through community events, although face to face events were put on hold due to the outbreak of the COVID-19 pandemic.

Second Policy Challenge

FUNDING AND FINANCE

Accessing and coordinating different sources of funding is a challenge especially for small towns. In the case of Lebach, mobilising private investment has been difficult. In order to do so, the municipality designated a redevelopment area (simplified procedure). This allows investments in private property to be better depreciated for tax purposes. However, a modernisation agreement must first be concluded with the municipality.

Therefore, private investors must proactively seek advice from the administration to benefit from the incentives. In practice, however, implementation is often difficult due to the complex requirements of the varying funding schemes. In short, the creation of a less bureaucratic funding option, e.g., for green facades or green roofs, would significantly accelerate the implementation of such measures and could strengthen private participation at an early stage.

In addition, the municipality also plays an important role in activating private investment by intervening in public properties. By making the public space more attractive, it provides an incentive to modernise private property. The energetic refurbishment of the town hall and police station can be considered as a lighthouse project. Its building stock and subsequent energy saving potentials are comparable to many private buildings in the area. As such, their renovation can serve as an inspiration for private investments to follow suit.
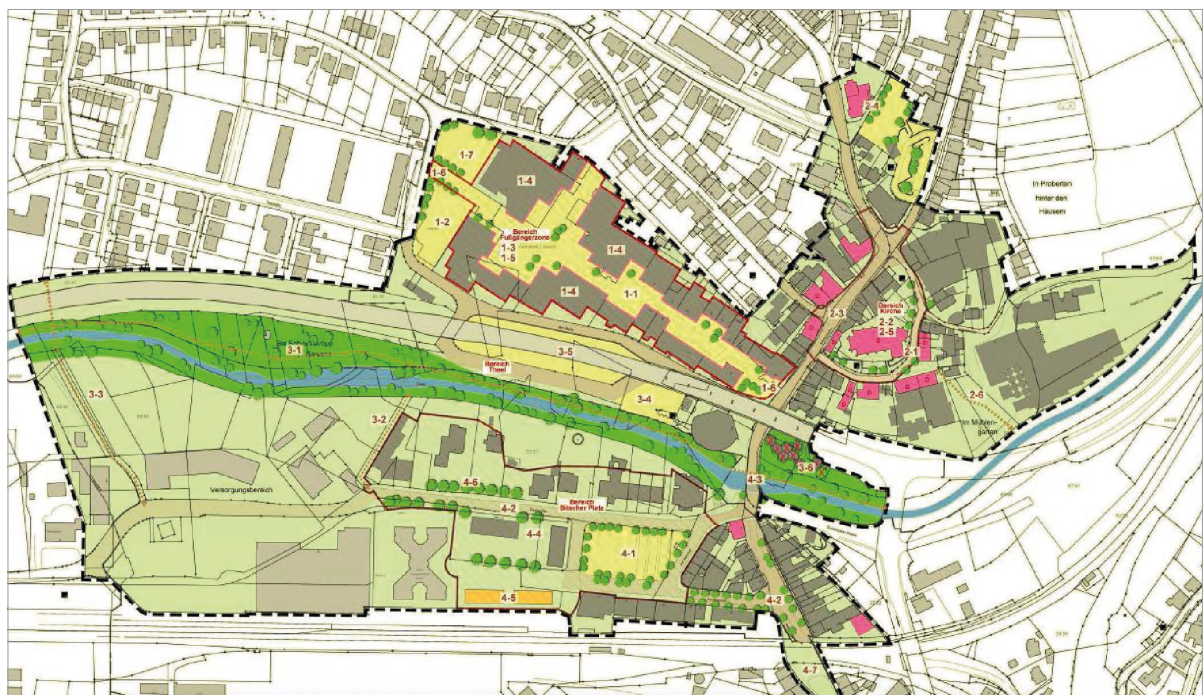
Integrated urban development concept for the city centre of Lebach.

Source: City of Lebach.

PROJECT

Energy refurbishment of Lebach town hall and police station

One of the main projects in the strategy is the renovation of the town hall and police station to improve energy efficiency. Along with energy-saving methods, the project involves setting up solar panels and a grey water recycling system. At present, the project is still in the planning phase and is expected to cost EUR 3 million. It is co-financed from ERDF and other financing mechanisms that include the KfW development bank loan 'Energieeffizient Sanieren' [energy efficient renovation].

The town hall's current heat consumption approximates 126 kWh/m² in relation to the heated net floor area. A realistic energy-saving target is 75-90 kWh/m², which represents savings of 30-40 %. Measures to achieve this include replacing windows, insulating the façade and insulating the heat distribution system. Based on the current specific electricity consumption of 33 kWh/m² in relation to the net floor area, a savings potential of 30-40 % is realistic. This corresponds to a target of 25 kWh/m². Related measures include the installation of presence detectors, energy-saving light bulbs and energy-efficient IT.

Additionally, there is potential to reduce the specific electricity consumption, which currently stands at 33 kWh/m² based on the net floor area. A savings potential of 30-40 % is feasible, which would bring the target down to 25 kWh/m². This will be achieved by installing presence detectors, energy-saving light bulbs and energy-efficient IT.

As part of the building's renovation, a smart climate façade will be installed to decrease its heating and energy usage. The green roof will also have a photovoltaic system integrated into it, generating approximately 45 kW peak. 80 % of the electricity produced will be used on-site, while the remaining 20 % will be fed back into the grid. Moreover, a grey water recycling system will be implemented to conserve drinking water.

The comprehensive energy refurbishment of the project shall serve as a demonstration project to other buildings in the area. The combination of energy-saving measures and renewable energy installations is a good example of comprehensive buildings and infrastructure renovations. Economic returns are also important in this context. The renovations will generate annual cost savings, which in return provide financial incentives to private investors.

RE-CONNECTING WITH NATURE FOR A SUSTAINABLE FUTURE

RE-ACTIVATING PLACES FOR PEOPLE AND COMMUNITY

Lebach town hall and police station.

Source: City of Lebach.

KEY MESSAGES

- Strategies of urban regeneration and building retrofitting, especially when they concern private properties, require the **active engagement of citizens and other stakeholders**. Establishing a dedicated coordination centre can aid in carrying out bottom-up **participatory procedures** in a consistent and effective manner.

- Renovating public buildings can function as a **demonstration project** to encourage private property owners to undertake comparable carbon-neutral investments.

- **Simplifying funding procedures** and reducing bureaucracy can accelerate the execution of carbon-neutral initiatives. Providing **assistance to private property owners** in navigating the intricate demands of various funding programmes can be especially beneficial.

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Lucena

SPAIN

42 733 inhabitants

CITY PROFILE

Lucena is situated at the geographical centre of the Andalusia region, between the Cordoba countryside and the Sierras Subbeticas. While it is the second most populated city in its province, it is located close to the border of three provinces, making it part of a polycentric territorial environment. This network includes other medium-sized cities such as Antequera, Écija and Osuna, which share a similar economic importance and are well-connected. Lucena is located near an important road junction in Andalucía, with some of the region's main roads in close proximity. With this strategic location, Lucena has good connectivity, particularly by road, to major transport hubs such as Malaga, Cordoba and Seville, the regional capital, as well as to rail, air and sea transportation. Lucena's economy is primarily based on productive sectors such as agriculture, manufacturing industry and commerce. As of 2022, the agricultural sector accounted for 45 % of registered employment contracts and 27 % of commercial establishments in the municipality. Services made up 30 % of the contracts and approximately 40 % of economic activity establishments. The industrial sector employed 20 % of the workforce, while 20 % of commercial establishments belonged to this economic field[37].

Main development challenges

The city of Lucena presents several challenges related to the lack of social cohesion resulting from the territorial model and the unbalanced service provision between neighbourhoods. The concentration of facilities in the urban centre and the excessive specialisation between urban areas (residential, economic, etc.) means that each neighbourhood has an independent dynamic. Additionally, the clustering of new residents in the outskirts and the historic population in the city centre has led to a growing sense of social detachment between different neighbourhoods. Connectivity between services and facilities, economic activity and residential areas is poor, especially in terms of sustainable mobility. Mobility infrastructures are often saturated, and the absence of sufficient public transport and infrastructure for sustainable mobility determines the preponderance of the private car. The availability of large green public areas is another important challenge. In 2015, only had 3.8 % of Lucena's municipal surface were urban green areas.

Keywords (LACK OF GREEN AND BLUE INFRASTRUCTURE) (SOCIAL FRAGMENTATION) (ACCESSIBILITY)

37   Instituto de Estadística y Cartografía de Andalucía, 2022.

STRATEGY

Total ESIF contribution	EUR 4 000 000
Funds	ERDF
Implementation mechanism	Priority Axis for Sustainable Urban Development
Thematic objectives	TO2. Quality of information and communication technologies; TO4. Low-Carbon Economy; TO6. Environment and resource efficiency; TO9. Social Inclusion, poverty, and discrimination
Implementing body	Local Government of Lucena
Managing authority	Ministry of Territorial Policy and Public Function
Type of region	Transition Region

Description of the strategy

The primary objective of Lucena is to extend the process of urban and socio-spatial improvement that began in the city centre to its peripheral neighbourhoods. In this regard – and considering the above-mentioned challenges – improving connectivity, balancing provision of services and creating green areas were considered crucial for enhancing cohesion between different neighbourhoods of the town. These main strategic priorities were translated into the following axis aligned with TOs of the strategy.

- Improving the use, quality and accessibility of ICTs (TO2): this includes lines of action to improve digital public services through an Open Government strategy.
- Favouring the transition to a low carbon economy (TO4): this contains an action plan to improve connectivity through the increase of public transport and safe pedestrian and cycle paths.

- Protecting the environment and promoting resource efficiency (TO6): including actions aimed at improving heritage and green areas in order to improve citizens' access to sustainable leisure.
- Promoting social inclusion and combating poverty (TO9): this envisages actions aiming to improve social welfare in neighbourhoods through the network of municipal social centres and social inclusion programmes on employment, education and leisure.

Policy challenges in strategy making

First Policy Challenge

STRATEGIC DIMENSION

An important challenge in the strategic dimension was to ensure that financing for SUD aligned with other instruments that supported municipal strategic planning to maximize the impact of the projects included in the strategy. The SUD strategy began from the diagnosis, challenges and proposals of the II Strategic Plan of Lucena. This was a significant advantage in the design of the SUD strategy, since its content was based on prior consensus and linked to objectives with a wider scope. A particular element of attention was the design of a SUD strategy in which European funded projects were used to structure and drive the municipal action. Through a call for financing, several projects were identified in order to transform the medium and long term strategy defined for the city into concrete actions aiming at generating a positive impact on the environment, society and the economy. In this sense, the size of the municipality presented both an advantage and a barrier. On the one hand, SUD assumed a relevant weight in the entire government action, leading to a prioritisation of political support and resources. On the other, however, the required coordination and synchronisation of all government actions represented a challenge at the moment of its implementation.

Second Policy Challenge

TERRITORIAL FOCUS

One of the main challenges in Lucena was to incorporate the voices of citizens in the different neighbourhoods, recognising that each one should have its own tailored plan, all contributing to the overall strategy. It was necessary to understand the complex reality of each neighbourhood and its unique characteristics to address the needs of each area. First, de facto local leaders (people with a recognised leadership in the different neighbourhoods, even though not belonging to formal organisations) were identified, with the purpose of ensuring effective participation of the community. Later, there was coordination with the neighbourhood actors to ensure their involvement and representation throughout the process, including in the phases of diagnosis, design, implementation and in the ongoing monitoring and evaluation of the actions. This was a critical factor in accurately identifying neighbourhood problems and prioritising actions, as well as in promoting a sense of co-ownership between the administration and residents, ensuring the success of the implementation.

This process highlighted the need to enhance the participatory culture among political leaders. Additionally, it has been deemed essential to boost the institutional capacity of the technicians responsible for the strategy, to equip them with better abilities to foster and sustain engagement from local stakeholders during all stages of the strategy. The participation of citizens in the planning process is an important tool of legitimisation and empowerment, but it also raises expectations. It's important to be accountable to citizens for decisions and deviations that may occur during implementation, as failure to implement collective decisions may decrease citizens' perception of participation effectiveness, discouraging their involvement as the project progresses.
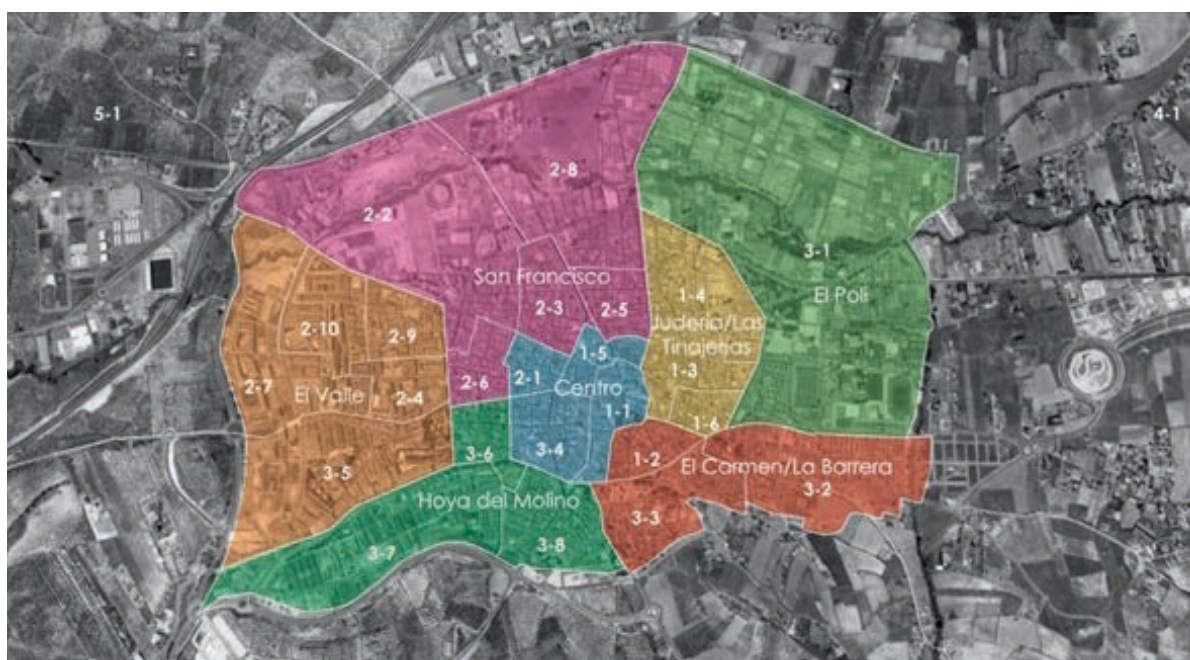
A map of the area target by the strategy.

Source: Local Government of Lucena.

PROJECT

Barrios verdes: Parque Europa (Green Neighbourhoods: Europe Park)

One of the key initiatives undertaken as part of the SUD strategy was the creation of a large peri-urban green area that is accessible from different neighbourhoods in the north of the city. This project is part of the 'Green Neighbourhoods' programme, which aims to foster strong social ties, address the shortage of green and blue infrastructure, as well as the preservation of heritage. The project focuses on the promotion of social cohesion and vitality and on environmental improvement in the municipality. Due to its location near the Lucena River to the north of the municipality, the green area is thought to ensure continuity amongst different neighbourhood, gradually creating a green ring accessible from different areas of the city.

The green area has been provided with cycle and pedestrian paths, sports courts, as well as new sports infrastructures demanded by young people, such as a skate park. It also incorporates urban gardens, playgrounds, a pet area and picnic areas, which respond to the needs of numerous citizen profiles, with different types of interests. These facilities play a crucial role in fostering social cohesion by providing a space for residents of different neighbourhoods with diverse socio-demographic backgrounds to interact and connect with each other. The resulting interaction has led to the creation of an inter-neighbourhood and intergenerational 'enclave' that fosters social cohesion, giving rise to citizen initiatives that extend beyond the initial goals, such as support networks, shared identity and mutual knowledge exchanges. For example, joint citizen mobilisation actions to demand measures aimed at improving the provision and operation of the equipment created within the framework of the strategy. Furthermore, it has the potential to boost economic growth by providing infrastructure for companies in the sports sector, due to the new infrastructure it provides.

RE-CONNECTING WITH NATURE FOR A SUSTAINABLE FUTURE

Targeted areas by the strategy

Source: Local Government of Lucena.

KEY MESSAGES

- SUD strategies are managed within complex multi-level governance systems. Implementing local authorities should **properly allocate resources** and **prepare a team to handle the significant bureaucratic procedures** required by the higher levels of government. The volume of bureaucratic procedures can be a challenge for smaller municipalities.

- Local authorities in small urban areas may have strategic capacity, but may lack financial resources. It is important to **take advantage of EU funding opportunities** to implement existing city strategies and allow transformative projects to be carried out as planned. **SUD strategies** in small urban areas **form the backbone of the action** of the local administration.

- The territory of a town may be small but still heterogeneous and complex. **Community involvement is key** to better identify the local needs and challenges of the different neighbourhoods. The territorial analysis at the basis of the strategy should entail an **in depth understanding of social dynamics.**

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Salgótarján

HUNGARY

32 982 inhabitants

CITY PROFILE

Salgótarján is a town in the north-Hungarian region of Nógrád county, in the immediate vicinity of the Slovak border. Between 2011-2021, its population shrunk by 13.4 % (compared to the 2.1 % decrease on a national level). As the seat of Nógrád county, Salgótarján is located on the third level of the domestic functional city hierarchy and represents the administrative centre of the 'Salgótarján district (járás)', which includes 28 other settlements, all of which are of rural nature, giving the centre an even more prominent role. Salgótarján district is situated along a European transport corridor connecting the Baltics with the Mediterranean (Road 21) and representing a significant potential for the economic potential of the city, particularly in terms of developing strong relationships with neighbouring Slovakian territories. The town's industrial profile holds significant historical importance, primarily characterized by heavy industry and mining. However, since the 1990s, the area's industrial landscape has undergone a transformation, shifting towards the metal, construction and chemical industries, and more recently, the automotive sector. Salgótarján hosts an industrial park, home especially to small and medium-sized companies, as well as some relative bigger ones such as the Mitsuba Automotive Systems of Europe Ltd.

Main development challenges

One of the main challenges in Salgótarján is the lack of an adequate amount of greenfield necessary for attracting the necessary job-creating investments in the city. At the same time, due to the economic restructuring mentioned above, the city has an increase of brownfield areas that, although representing a problem as such, have the potential to be transformed into new profitable activities. Another significant challenge is the socio-spatial segregation affecting the town as well as the low quality of the rental housing stocks that fails to meet minimum housing standards. This phenomenon contributes to a rise in housing poverty and the emergence of new deprived neighbourhoods in the municipality territory. Based on the 2011 data of the Central Statistical Agency, a total of 11 segregated areas (plus four areas at risk of segregation) were identified in the city. Approximately 12 % of the town's population resides in these neighbourhoods, which are characterized by a young population with an unemployment rate almost three times higher than the town average. Housing conditions in these areas are very poor and the education level is low. As the proportion of children and young people is higher than in the rest of the city, this represents an additional indicator of the potential danger of falling into a reinforcing vicious circle of decline.

Keywords (ABANDONED SPACES/BUILDINGS) (DECLINE OR LOSS OF TRADITIONAL AND INDUSTRIAL ACTIVITIES) (DEPRIVED NEIGHBOURHOODS)

STRATEGY

Total ESIF contribution	EUR 25 212 395
Funds	ERDF; ESF
Implementation mechanism	Priority Axis for Sustainable Urban Development
Thematic objectives	TO4. Shift towards low-carbon Economy; TO6. Environment and resource efficiency; TO8. Sustainable and quality employment and labour mobility; TO9. Social Inclusion, poverty and discrimination.
Implementing body	Local Government of Salgótarján
Managing authority	Ministry of Finance
Type of region	Less Developed Region

Description of the strategy

The three overall objectives of the Salgótarján Integrated Territorial Programme (ITP) are (1) diversified, dynamic economic development, (2) socio-spatial regeneration and (3) attractive municipal environment. The Salgótarján ITP is a complex document that includes, among other things, a specific Anti-Segregation Plan (ASP) focusing on the improvement of the situation of people living in segregated areas. The goal of the ASP is twofold: to reduce poverty in the entire city territory and to give particular attention to areas already segregated or at higher risk of segregation. A key tool for the mitigation of poverty and spatial segregation envisaged by the programme is the improvement of life conditions of children and young people, intervening specifically in fostering the human capital of the younger generations. The measures identified of utmost importance to achieve these goals include:

- healthcare and prevention;
- employment and training;

- built and social infrastructures (urban regeneration and social inclusion);
- building of community and civic attitude.

For the period of 2014-2020, two big integrated rehabilitation projects were planned in the strategy to be financed through the SUD measure with EU funds: the rehabilitation of the area of Salgó street and Forgách-telep.

Policy challenges in strategy making

First Policy Challenge

CROSS-SECTORAL INTEGRATION

Socio-spatial regeneration became one of the priorities of the ITP as the share of segregated areas is high in Salgótarján. In the segregated areas, both the physical and the social indicators are much worse than the city average. The municipality decided therefore to regenerate the area, implementing both physical and social interventions. In a small town like Salgótarján with limited administrative capacities, the municipal staff was not prepared to address the complex intertwined challenges of deprived neighbourhoods. In order to develop a cross-sectoral integrated approach, the local authority of Salgótarján decided to involve external actors, in particular NGOs with long standing expertise in social inclusion, and set up with them a type of 'flexible cooperation'. This cooperation was beneficial for both sides, as the NGOs brought in the needed sensitivity to understand and handle social problems, while the municipality helped the NGOs to overcome the challenges of bureaucracy. To trigger the regeneration of segregated areas, 'soft' interventions, such as debt-settlement, or the organisation of community actions, played a crucial role, without which the 'hard' physical improvements of buildings could not succeed. The city effectively coordinated with various partners, including municipal services, to facilitate the temporary resettlement of families during the renovation of their social rental units.

Second Policy Challenge

FUNDING AND FINANCE

As stated in the ITP Strategy, large budget investments would be necessary for Salgótarján to move from its current, stagnating economic and declining socio-economic position. Around HUF 10 billion (EUR 25 million) would be needed, for example, for the rehabilitation of its brownfield areas in order to offer land for economic investors. Additional resources would also be required for mobility and other infrastructure investments, as well as for developments that would strengthen the attractiveness of the city. However, the Hungarian financial system and framework does not allow municipalities to be independ-

ent in terms of financial resources, limiting not only their capacity in retaining local revenues, but also in accessing/steering the use of EU funds. In fact, investment priorities are determined centrally through a related indicator system and the municipalities cannot use funds for anything else until the expected indicator values are fulfilled. Within this top-down framework, combining finances is essential to optimise the available resources, but it also represents a significant challenge, especially for small municipalities. Salgótarján implemented the SUD strategy through a multi-fund Priority Axis and was able to bundle resources from the economic development programmes together with resources from the social inclusion programme, ensuring the combination of funds coming from both ERDF and ESF.
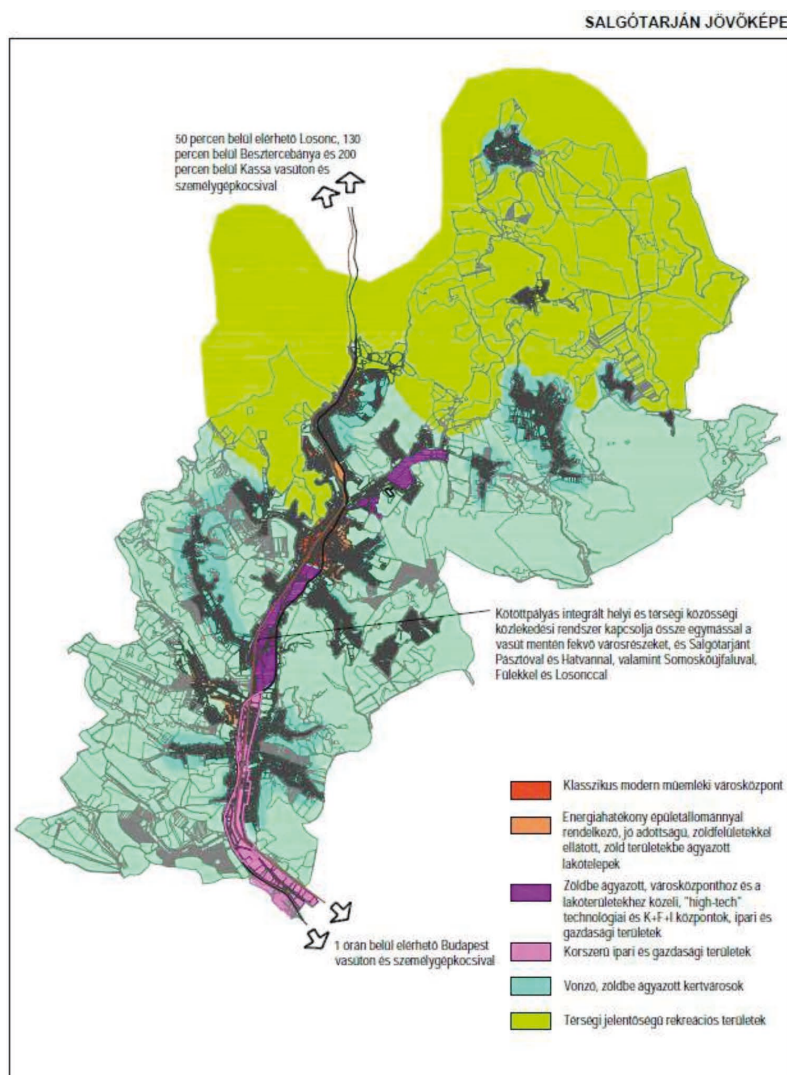
The vision of Salgótarján.

Source: *https://www.salgotarjan.hu/wp-content/uploads/fejlesztesidokumentumok_20180420_salgotarjan_megyei_jogu_varos_telepulesfejlesztesi_strategiaja.pdf*

PROJECT

Salgó street social urban rehabilitation

The Salgó street social urban rehabilitation investment is a project composed by both soft and hard interventions aimed at regenerating the deprived neighbourhood and breaking its socio-spatial segregation. During the implementation of the 'hard' part of the project, a total of 17 municipal rental houses were renovated. The project aimed to enhance the living conditions along the main street of the Salgó neighbourhood by creating renewed and comfortable rental apartments. The interventions made significant improvements in the housing stock conditions, also in terms of environmental performances, including the replacement of windows and doors, and the installation of thermal insulation to promote more energy-efficient households. This resulted in reduced utility costs for residents and lower carbon dioxide emissions from households.

In addition, a new 78 sqm community space was created where several community social activities where developed, including trainings for residents, as well as the creation of a community gardens and other programmes fostering the civic participation of citizens. Furthermore, the project combined traditional social work methods (helping vulnerable families and children) to assist the local community with training, debt management, and administrative concerns. Debt management was a crucial and effective component of the initiative, as families were required to demonstrate their ability to maintain the renovated homes before being allowed to move in. As such, it was necessary to address any outstanding debts, such as those owed to public utility companies. The implementation of the 'soft' part of the project was carried out by a Consortium whose members – in addition to the municipality – included the Roma National Municipality of the County of Salgótarján, the Association of People with Disabilities and the Employment Non-profit ltd.

Category of policy approach: re-imagining governance and partnerships; re-activating places for people and community.

RE-IMAGINING GOVERNANCE AND PARTNERSHIPS

RE-ACTIVATING PLACES FOR PEOPLE AND COMMUNITY

9. szegregátum: Salgó út [28]
A szegregátum határai: Pitypang u. - Salgó út - Füleki út - Báthory tér - Zrínyi M. út - belterületi határ által kijelölt terület
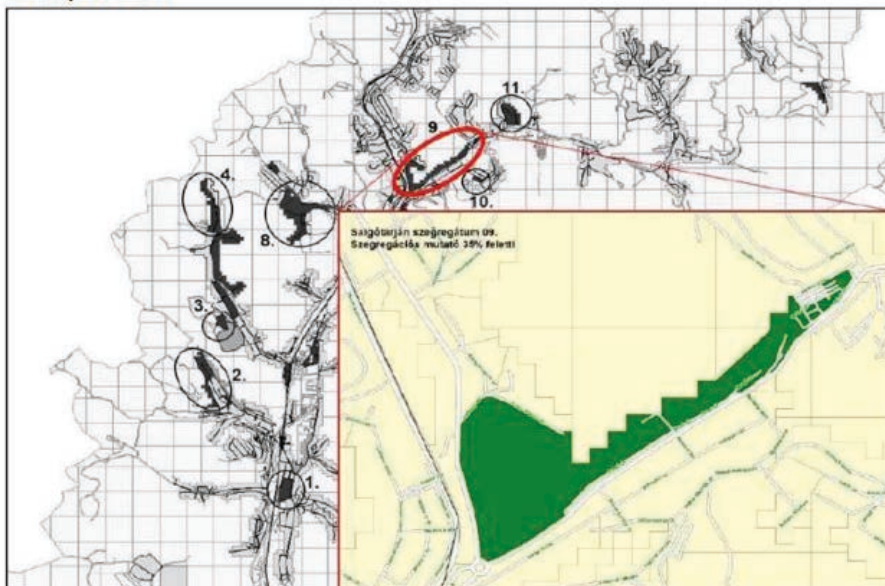
Map/localisation of the project: Salgó út segregated area.

Source: Local Government of Salgótarján.

KEY MESSAGES

- In the case of SUDs strategies aimed at tackling socio-spatial segregation of deprived neighbourhoods, it is important that the municipality bases its work on a **detailed regeneration plan** with a **cross sectoral approach** that fits coherently with the general development strategy of the territory and is consistent with its various dimensions.

- Opening up the boundaries of the local administration by setting up **clear and well-structured cooperation with external civil society organisations** that can complement the public offer of social services can increase the level of effectiveness of the projects implemented.

- **Multi-fund territorial instruments** combining ERDF with ESF allow the urban administration to bundle themes and resources and **combine hard measures** aimed at physical rehabilitation **with soft ones** aimed at social inclusion.

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Ventspils

— LATVIA —

33 906 inhabitants

CITY PROFILE

Ventspils is one of the 119 administrative territories of Latvia, one of the nine cities of the Republic of Latvia, in which administration is carried out by the local government of the 'Ventspils State city'. It is located on the Baltic coast of Latvia's most sparsely populated county. Two state roads give access to the town; the private car is the main means of transportation for the population. On the other side of the sea, a 10-hour ferry ride away, is the coast of Sweden. The nearest city is Kuldīga (60 km away) with 10 000 inhabitants. Ventspils has a large proportion of green areas; buildings, yards and roads occupy only 8 % of the municipality's territory, while forests, parks, and waters 38%. The town is home to a non-freezing port that operates all year round, representing a cornerstone of the municipality's economy as it provides high-quality and fast services to industries of the area. The town is characterized by a mixed economy with manufacturing (18 %), transport and storage (14 %) and wholesale and retail (13 %) representing the major sources of employment in the city. Ventspils is generally considered to be more developed than the national average, with nearly two thousand economic activities present in its territory.

Main development challenges

According to the Central Statistical Bureau of Latvia, the population of Ventspils has been steadily declining over the past decade, with population shrinking by 44 233 in 2000 to 33 442 in 2022, representing a decrease of nearly 24 % over 22 years. This outflow of people has resulted in a reduction of economic activities and employment opportunities and the consequent effect of young outflow and ageing of the population. The median age of the population has been increasing steadily over the same period, from 39.8 years in 2000 to 47.6 years in 2021, with the share of population between 15-35 years old decreasing from 29 % to 20 %. Overall, these statistics indicate that Ventspils is facing a significant challenge in retaining its young population, which could have implications for the city's economic and social development. As a consequence of these demographic changes, although the city has a low unemployment rate, there is a lack of adequate labour force in almost every industry, with a clear skill mismatch between offer and demand. Additionally, limited financial resources and a lack of co-financing are placing significant pressure on the municipality's budget and on their capacity to carry out the necessary investments needed to create new jobs, retain and attract new talents and revert the negative trend.

Keywords (POPULATION DECLINE) (AGEING) (YOUNG OUTFLOW) (LIMITED FINANCIAL RESOURCES)

STRATEGY

Total ESIF contribution	EUR 25 870 890
Funds	ERDF
Implementation mechanism	Integrated Territorial Investment for Sustainable Urban Development
Thematic objectives	TO3. Competitiveness of SMEs; TO4. Shift toward a low-carbon economy; TO5. Climate change adaptation, risk prevention, and management; TO9. Social inclusion, poverty, and discrimination; TO10. Education, training, and vocational training
Implementing body	Ventspils city municipality
Managing authority	Ministry of Finance of the Republic of Latvia
Type of region	Ministry of Environmental Protection and Regional Development

Description of the strategy

Ventspils aims to preserve its population and foster a prosperous society by creating a comfortable, safe and nature-friendly living and working environment. In general, the municipality aims to construct a well-rounded and sustainable urban development strategy that gives priority to the requirements of its inhabitants and stimulates economic progress. The city's strategy focuses on three main areas: economy, society, and urban environment. Here below are the main priorities and activities in each area.

Economy:
- improving the city's accessibility and integration into the Trans-European Transport Network (TEN-T);

- strengthening the Ventspils Freeport and developing related companies;
- promoting production development, including small and micro businesses;
- fostering education, science, research and business cooperation;
- developing the ICT industry and tourism.

Society:
- providing modern education and diverse cultural and sports opportunities;
- ensuring quality healthcare and social services;
- supporting self-initiatives of population groups, especially youth;
- improving the city administration and ensuring security and order.

Urban environment:
- providing high-quality urban transport infrastructure and public transport;
- providing centralised heating and water management throughout the city;
- ensuring a high recycling rate at the waste farm;
- creating comfortable and attractive urban spaces;
- developing quality and comfortable housing;
- promoting environmental quality and energy efficiency;
- ensuring safe electricity supply and modern communications.

Policy challenges in strategy making

First Policy Challenge

FUNDING AND FINANCE

During the 2007-2013 EU funds programming period, the project to establish a Science Centre was included in the development planning documents. However, due to the inability to secure external financial resources, the project could not be executed. In the subsequent EU programming period of 2014-2020, an opportunity arose to finance a Science and Innovation Centre under the framework of the

Integrated Territorial Investments (ITI). Two investments projects have been launched, in parallel with the development of complementary activities to be installed inside the new building, such as the creation of educational programmes, functional equipment and exhibits. To achieve these goals, besides the EU funding, additional funding was secured from the European Economic Area programme (EEA) the Norway Grant, the European Commission's Urban Innovative Actions, as well as from the Latvian state and municipal budgets. The challenge was to achieve a mutually beneficial synergy between projects in terms of content, as well as meeting the conditions of the supporting funds and time frame for each individual project. As a result of this effort, the municipality gained invaluable experience and improved the capacity of its staff.

cisions. Such an inability to track the progress of the strategy implementation could have represented detrimental effects, resulting in delays in making important decisions related to improving infrastructure and constructing residential homes, which are crucial priorities for the city in terms of attracting and retaining residents. To tackle this issue, the municipality established a collaborative monitoring system that covers both the town development programme for 2014-2020 and the Sustainable Development Strategy. The joint annual monitoring report for the Ventspils Strategy and Program is structured according to an intervention logic that clearly links the predetermined goals, directions of action, tasks and associated measures. This review process forms the basis for the annual update of the Action Plan and Investment Plan, and may also be used to suggest revisions to the Ventspils Program and Strategy.

Second Policy Challenge

MONITORING

During the implementation of the Ventspils strategy, municipal employees encountered the challenge of effectively tracking and monitoring the progress made towards achieving their goals. Due to the detailed and time-consuming nature of the monitoring reports, the Department of Economics (responsible for overseeing the implementation of the strategy) struggled with coordinating regular monitoring efforts. The lack of additional workforce and funding, coupled with the fact that the monitoring accounting system had not been updated since 2012, reduced even more the capacity to develop more effective and innovative monitoring system that could be beneficial for improving future strategic de-

Ventspils deprived neighbourhoods in the integrated development strategy

Ventspils city development program for 2014-2020.

Source: *https://www.ventspils.lv/ventspils-pilsetas-attistibas-programma-2014-2020-gadam.*
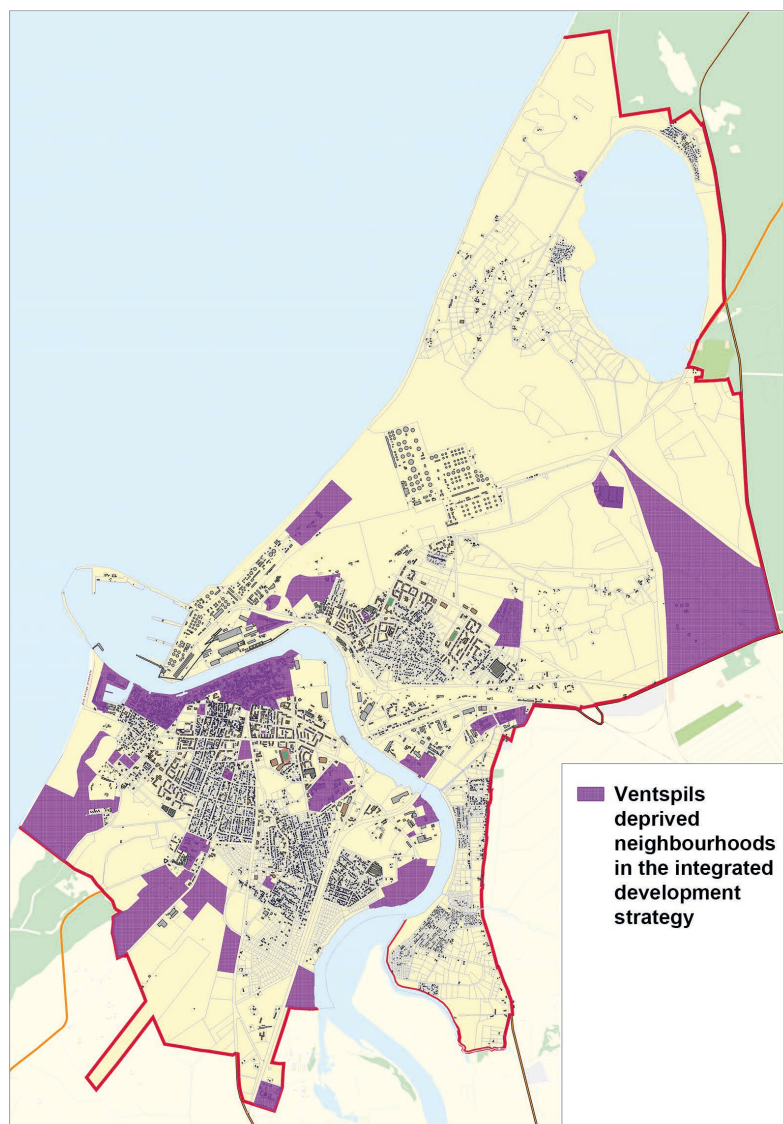
PROJECTS

Ventspils Science and Innovation Centre 'VIZIUM'

The project was implemented under the ITI framework, combining two specific support objectives for the construction of the building.

The project revitalised a degraded area of 3.08 ha with a total budget of EUR 26.4 million, including financial resources of EUR 17.8 million (ERDF, Norway grants), a state budget of EUR 0.8 million and municipality budget of EUR 7.8 million. The Science Centre was built to preserve and enhance cultural and natural capital. It features six new interactive services, including Science Centre exhibitions, a Centre for Young Natural Science Researchers, Science Centre workshops, educational and informative excursion routes, a Children's interactive gallery and Stimulator stands that allow visitors to participate in the study of natural phenomena. The Science Innovation Centre project plays a pivotal role in the revitalisation of city territory and the regeneration of degraded areas. It also creates a favourable environment for the economic activity of young people and encourages the development of entrepreneurship, leading to the creation of new jobs and a reduction in the unemployment rate in Ventspils. Overall, the project has resulted in the creation of 111 new jobs. The new building has also received national recognition, as the 'VIZIUM' Science Centre attracted over 100 000 visitors in the first half-year since its opening, introducing Ventspils' citizens, as well as visitors from all over Latvia and other countries, to the fascinating world of science and technology.

RE-CONNECTING WITH NATURE FOR A SUSTAINABLE FUTURE

Science and Innovation center VIZIUM.

Source: Monta Blaze.

NextGen Micro Cities

The NextGen Micro Cities is a project funded by the EU programme UIA with a budget of 6.2 million EUR (80 % ERDF and 20 % co-financing) that aims to overcome challenges related to the skills shortage and mismatch and lack of high-level specialists in SUAs like Ventspils by creating new and innovative solutions in education, business and governance. The project aimed to develop a blueprint model for enhancing both the demand and offer side of the labour market by simultaneously acting on multiple system points of the local economy, trying to shift it from an industrial based one to a digital based one. The project is unique both in its model and structure, whereas two SUA cities (Ventspils and Valmeria), with their business and education ecosystems, co-operate in order to pilot innovative solutions. The project tested an innovative career guidance strategy including the launch of an internet tool and marketing strategy for higher and vocational education institutions to attract and retain talents in SUAs. In addition, other solutions implemented were an Education Technology Factory Innovation Hub, as well as a Foreign Direct Investment Strategy. Last but not least, the project developed the so-called 'makerspace', a collaborative workspace inside a school, library or separate public/private facility for making, learning, exploring and sharing the uses of high tech as well as no tech tools. These spaces are open to kids, adults and entrepreneurs and have a variety of maker equipment including 3D printers, laser cutters and other tools.

RE-DISCOVERING UNIQUENESS

RE-INVENTING SMART PUBLIC SERVICES

UIA NextGen Microcities team.

Source: Kaspars Porins.

KEY MESSAGES

- Combining multiple funding sources is a viable option for implementing larger and more ambitious projects. However, it should be noted that while it may offer financial benefits, it also introduces **complexity in terms of execution and project management.**

- To avoid rapid population decline in small cities, it is important to keep a **balanced ratio between job opportunities and necessary skills** (such as STEAM [38], ICT, etc.) using tools such as makerspaces, prototype labs, innovation hubs and retraining programmes.

- **Improving monitoring** in municipalities requires investment in efficient **data management systems,** keeping monitoring policies up-to-date, providing **staff training on monitoring methodologies** and engaging with community members to identify key indicators of success.

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38   Acronym for Science, Technology, Engineering, Art and Math.

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Informal meetings of Ministers responsible for Territorial Cohesion and/or Urban Development

The 'Declaration of Ministers towards the EU Urban Agenda' – the Riga Declaration, adopted at the Informal Council of Ministers responsible for territorial cohesion and urban development held in Riga on 10 June 2015.

The 'European Spatial Development Perspective – Towards Balanced and Sustainable Development of the Territory of the European Union' adopted at the Informal Council of Ministers responsible for Territorial Cohesion held in Potsdam, May 1999.

The 'Leipzig Charter on sustainable European cities', adopted at the Informal Council of Ministers responsible for urban development and territorial cohesion held in Leipzig on 24-25 May 2007.

The 'Ljubljana Agreement: Urban Agenda for the EU the Next Generation' adopted at the Informal meeting of Ministers responsible for urban matters on 26 November 2021, Ljubljana (Slovenia).

The 'Marseille Declaration' adopted at the Informal Council of Ministers responsible for urban development held in Marseille on 25 November 2008.

The 'New Leipzig Charter: The transformative power of cities for the common good', adopted at the Informal Ministerial Meeting on Urban Matters on 30 November 2020.

The 'Territorial agenda of the EU 2020' adopted at the Informal Council of Ministers responsible for territorial cohesion held in Gödöllö on 19 May 2011.

The 'Territorial Agenda 2030: A future for all places' adopted at the Informal meeting of Ministers responsible for spatial planning, territorial development and/or territorial cohesion on 1 December 2020 (Germany).

The 'Toledo Declaration' adopted at the Informal Council of Ministers responsible for urban development held in Toledo on 22 June 2010.

The Urban Agenda for the EU - 'Pact of Amsterdam', adopted at the Informal Council of Ministers responsible for urban development held in Amsterdam on 30 May 2016.

List of abbreviations

ASP	Anti-Segregation Plan
CHP	Combined heat and power
CF	Cohesion Fund
CoR	Committee of the Regions
CPR	Common Provision Regulation
CLLD	Community-led Local Development
CTC	Covenant Territorial Coordinators
DEGURBA	Degree of Urbanisation for Local Administrative Units
EDF	Electricité De France
EAFRD	European Agricultural Fund for Rural Development
ECoC	European Capital of Culture
EEA	European Economic Area programme
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESDP	European Spatial Development Perspective
ESIF	European Structural and Investment Funds
EU	European Union
FUA	Functional Urban Areas
HDUC	High-Density Urban Clusters
PAICD	Integrated Action Plan for Disadvantaged Communities
ITI	Integrated Territorial Investment
ITP	Integrated Territorial Programme
IOT	Internet of Things
JRC	Joint Research Centre of the European Commission
LAUs	Local Administrative Units
IFEL	Local Finance and Economy
LUISA	Land-Use based Integrated Sustainability Assessment modelling platform
LoRaWAN	Long Range Wide Area Networks

MAES	Mapping and Assessment of Ecosystems and their Services
M.B.	Montezemolo Barracks, Italy
MCV	Municipal Council of Volunteerism
NTMA	National Treasury Management Agency of Ireland
NWRMs	Natural Water Retention Measures
NGOs	Non-Governmental Organisations
MOIC	Operative Information Center, Latvia
PEDU	Plano Estratégico de Desenvolvimento Urbano, Portugal
PO	Policy Objectives
SIMORA	Regional Development Agency, Croatia
STEAM	Science, Technology, Engineering, Art and Math
SGI	Services of General Interest
SHDI	Shannon's Diversity Index
SMCs	Small and Medium-Sized Cities
SMEs	Small and Medium-Sized Enterprises
SMESTOs	Small and Medium-Sized Towns
SMUAs	Small and Medium-Sized Urban Areas
SUAs	Small Urban Areas
PV	Solar Panel
SAC	Special Area of Conservation
SPA	Special Protection Area
SUD	Sustainable Urban Development
PMUS	Sustainable Urban Mobility Plan
TO	Thematic Objectives
TEN-T	Trans-European Transport Network
UAEU	Urban Agenda for the EU
UDG	Urban Development Group
PARU	Urban Regeneration Action Plan

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Annex I
Methodology for the assessment of a set of indicators at the settlement level

In the context of this report, several socioeconomic and environmental indicators were analysed in order to reflect the challenges that some SUAs are facing in comparison with their counterparts (cities). In particular, population change, access to primary schools and healthcare services, broadband speed and diversity of natural ecosystems were the six indicators selected for representing different domains. For the visual representation, the values were averaged either at country level (for graphs) or at the settlement level (for maps), where the focused was on the SUAs. Several countries were selected as case studies to show particular circumstances comparing SUAs with cities. A more detailed methodology applied for each indicator is explained below.

Population change

The population change measures the increase/decrease of population in percentage between 2011 and 2018 at settlement level. Calculation are based on the JRC-GEOSTAT in 2011 and 2018 (Pigaiani et al, 2021) and results have been represented as national figures but also at the settlement level for the three types: cities, SUAs and villages.

Access to services – primary schools and healthcare services

In this analysis the provision of services is represented by two indicators: **travel time to primary schools** and to **healthcare services.** Average distance to the nearest primary school indicator was selected to represent local/nearby service provision. The location data for primary schools are collected in the PROFECY project (ESPON, 2017). On the other hand, average distance to the nearest health care service indicator measures the accessibility to (sub) regional services usually requiring larger travel distances. The main healthcare services' locations were gathered from Eurostat (2020). To complement these two main sources, a 1-km² population grid developed by JRC – GEOSTAT for 2018 and a road network from TELEATLAS MultiNet are the important inputs used for the service accessibility measurements (Kompil et al., 2022, Perpiña et al., 2023). Both indicators are measured via calculating travel time (in minutes) to the closest facility within a SUA particularly, but also in cities and villages.

Broadband speed

A local indicator measuring **broadband location and quality** of the connection for the fixed broadband network was developed based on Speedtest® by Ookla® during 2022 (Speedtest, 2022). Data refer to the first trimester 2022 and it is available at local level for both fixed and mobile broadband connections. The data set contains records of hundreds of millions of measurements and each record includes several attributes associated with each spatial unit. The attributes selected for this specific analysis are the average download speed (measured in megabits per second). This information was combined with the Level 2 degree of urbanisation in order to compute the average speed measurement per each settlement including SUAs, cities and villages (Perpiña et al., 2023; Sulis et al., 2022).

Diversity of natural ecosystems

The diversity of natural ecosystems indicator based on a Shannon's diversity index (SHDI) that measures diversity in natural and semi-natural, non-anthropogenic ecosystems according to the Mapping and Assessment of Ecosystems and their Services (MAES) ecosystem classification (Maes et al., 2013). This indicator has been suggested for the condition assessment of urban ecosystems from a natural capital accounting perspective (Vallecillo et al. 2022). The definition of natural ecosystem herein includes: woodland and forest, heathland and shrub, grassland, sparsely vegetated land, wetland, rivers and lakes, and marine inlets and transitional waters. The natural land use/cover that includes this indicator is defined in the 2018 LUISA base map (from 46 classes) and aggregated according to the mentioned natural ecosystems. A buffer of 5km is considered to calculate the SHDI dimensionless indicator (index) to assess the diversity of natural ecosystems in the surroundings area of each local settlement classified as city, SUA and villages.

Annex II
Methodology for the classification of sustainable urban development strategies

The applied methodology aims at classifying the Sustainable Urban Development (SUD) strategies into three different types: **1)** SUD strategies that target at least one city, **2)** SUD strategies that target one or more towns, and **3)** SUD strategies that target only villages. To do this, three main data sources were taken into consideration:

- The spatial layer of Sustainable Urban Development strategies from STRAT-Board. This layer contained 1 044 polygons corresponding to the perimeter of the areas targeted by the strategy.
- The spatial layer of the Level 2 Degree of urbanisation as described in Box1. For this analysis we only included three classes of settlements: cities, towns (as a result of merging dense towns and semi-dense towns) and villages. In particular, Small Urban Areas are represented by the towns class from the Level 2 DEGURBA (Figure 19).
- Population from JRC-GEOSTAT in 2011 and 2018 in order to cross-check population range. In particular, it is needed to ensure that population in 2018 per each settlement does not exceed 50 000 inhabitants.

Figure 19. European Level 2 Degree of urbanisation, 1 km grid map.
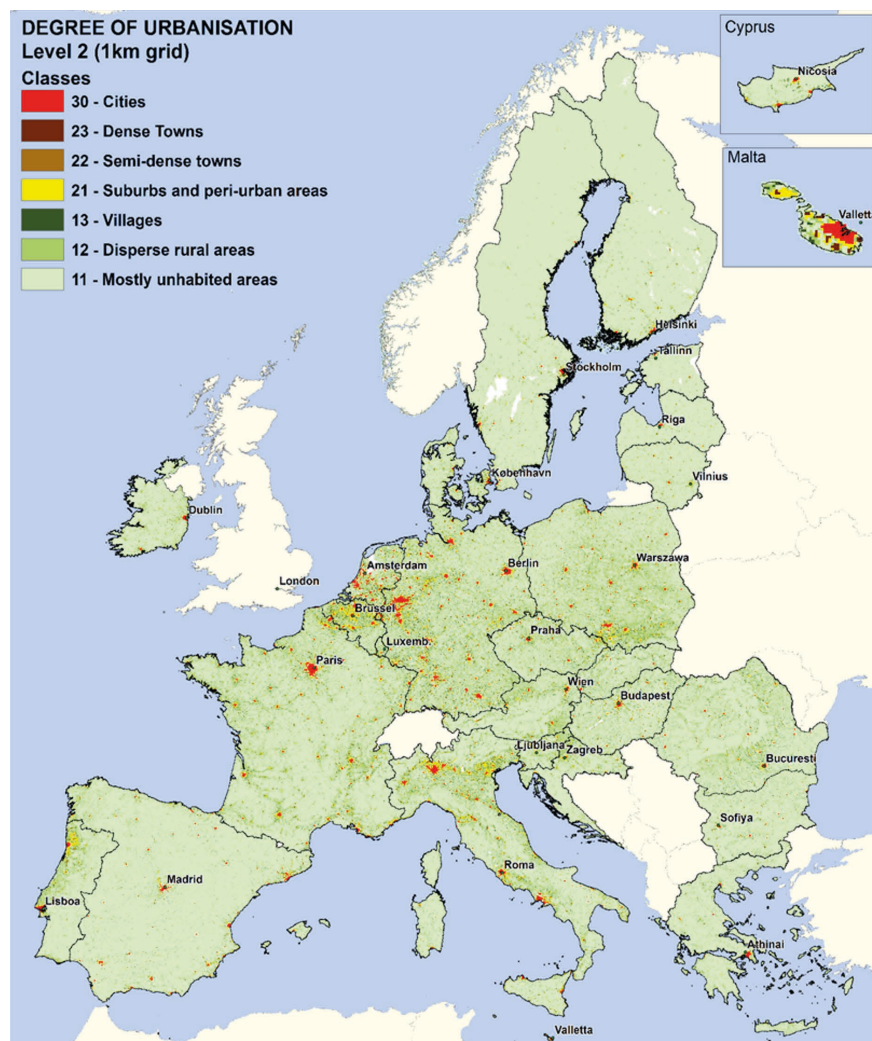
Source: own elaboration based on the data provided by DG REGIO.

From the total number of 1044 SUD strategies, only 1021 were finally included in the analysis. UK strategies were excluded not being part of the 27 Member States. The French outermost regions contain 14 SUD strategies that were not included in the study due to insufficient data for meeting the classification criteria.

These have the following strategy codes: FR-001, FR-002, FR-003, FR-004, FR-080, FR-081, FR-082, FR-083, FR-084, FR-119, FR-120, FR-121, FR-122, FR-150Before the application of the methodology, several steps have been undertaken to spatially and morphologically correct some strategies:

1. In the settlement layer, it was needed to create a new polygon representing a town within the VALE DE CAMBRA strategy PT-028, asit was missing in the original layer.

2. Some of the strategies were categorised as towns because the calculation of the settlement layer was based on population of 2011. The analysis was rerun using the population of 2018. Only 8 strategies were changing from town to urban centre: DE-063, EL-008, ES-055, FR-014, FR-115, RO-027, RO-028, RO-034. These fulfil the condition of: 'CATEGORY' = 'town' AND 'POPL_2018' >=50 000 using the original settlement layer.

3. Finally, several towns from the settlement layer were located in municipalities (LAUs) classified as cities (spatially overlapping). Checking them, it was observed that the population for some of them was more than 50 000 inhabitants. This was due to two causes:

- The situation is correct because the sum of several towns results in a total population > 50 000 inhabitants. Therefore, no change is applied and the settlement remained as towns.

- After evaluation, a primary town assumes practically most of the population with more than 50 000 inhabitants, so it has been manually changed to an urban strategy. This happened in 14 strategies mostly in DE, HU, EL, SK, LV: DE-012, DE-022, DE-057, DE-069, DE-070, EL-017, EL-063, HR-007, HU-002, HU-004, HU-012, LV-002, SK-003 and SK-004. These strategies have been spatially checked in terms of morphology with the European Settlement Map (100-metres resolution).

Once the strategies were spatially and morphologically correct, several methodological steps were applied to classify the strategies. The steps are the following:

1. Identification of the strategies that target least one **city.** To find these strategies it was needed to spatially overlap settlements classified as cities with the layer of SUD strategies. With this first spatial intersection we found **484 strategies.**

2. Identification of the strategies that target one or more **towns.** To find these strategies, it was needed to spatially overlap settlements classified as towns with the remaining SUD strategies. With this second spatial intersection we found **507 strategies.**

3. Finally, the reaming SUD strategies target **villages** since they do not target either a city or town. With this third spatial intersection we found **30 strategies.**

Figure 20 represents an example of the classification of strategies zooming into the area of Paris and Brussels as a result of the described methodology.

Figure 20. Classification of the SUD strategies into the three defined types: targeting at least one city, one or more towns or only villages.

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