

TARGETED ANALYSIS //

METRO

The role and future perspectives of Cohesion Policy in the planning of Metropolitan Areas and Cities

Annex IX // Lyon Metropolitan Area case study

GRANDLYON
la métropole

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Abbreviations

ADEME	Agency for Ecological Transition
ADERLY	Agency For the Economic Development of the Lyon Region
ADF	Association of French Departments
ADGCF	Association of Directors of French Groupings of Municipalities
AFCCRE	French Association of the Council of European Municipalities and Regions
ANCT	National Agency for Territorial Cohesion
ANRU	National Agency for Urban Renewal
ARF	Association of French Regions
CAF	Family Allowance Fund
CCIL	Chamber of Commerce and Industry of Lyon
CF	Cohesion Fund
CGET	General Commission for Territorial Equality
CPER	State-Region Plan Contract
CRII	Coronavirus Response Investment Initiative
CSS	Selection and Monitoring Committee
DATAR	Interministerial Delegation for Spatial Planning and Regional Attractiveness
DIRECCTE	Regional Directorate for Work and Employment
EC	European Commission
EAFRD	European Agricultural Fund for Rural Development
EPCI	Voluntary Grouping of Municipalities
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ESPON	European Territorial Observatory Network
EU	European Union
EUCP	European Union Cohesion Policy
FEAMP	Fisheries and Integrated Maritime Policy
FUA	Functional Urban Area
GDP	Gross Domestic Product
IB	Intermediate Body
INPAP	National Forum for the Preparation of the Partnership Agreement
ITI	Integrated Territorial Investment
JTF	Just Transition Fund
MAPTAM	Law on Modernisation of territorial public action and affirmation of metropolises
MdL	Lyon Metropolitan Government
MYIP	Multi-Year Investment Programme
NGO	Non-Governmental Organisation
NOP	National Operational Programme
NPNRU	New National Urban Renewal Programme
NRRP	National Recovery and Resilience Plan
OECD	Organisation for Economic Development and Cooperation
PCAET	Territorial Climate Air and Energy Plan
PCET	Climate and Energy Plan
PLH	Local Program for Housing
PLIE	Local Program for Economic Integration
PLU	Local Urban Plan
PLUH	Local Urban and Housing Plan
PLUI	Intermunicipal Local Urban Plan
PMI'e	Metropolitan Integration Program for Employment
POS	Local Land-Use Plan
PUI	Integrated Urban Projects
RDP	Rural Development Program
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
RRF	Recovery and Resilience Facility

ROP	Regional Operational Programme
RSA	Minimum Income
SCOT	Territorial Coherence Plan
SD	Master Plan
SME	Small and Medium-Sized Enterprise
SO	Strategic Objective
SYTRAL	Syndicate of public transport in the Lyon metropolitan area
UIA	Urban Innovative Action

The challenge in the future will be to highlight the role which metropolitan areas play in the socio-economic and environmental development of local areas, ensuring recognition so that they are included, at long last, in European governance and the development of the EU's cohesion policy.



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1 Introduction

The emergence of an urban dimension to the EU Cohesion Policy is evident in the last decade with the change of name of the Directorate-General (DG) Regio, which has become the DG for Regional and Urban Policy, and the minimum of 5% of ERDF funding reserved for integrated urban development in the 2014-2020 programming period, which rises to 6% for the 2021-2027 period. But is it possible to identify a metropolitan dimension of the EU Cohesion Policy? On the ground, in various European metropolitan areas, who are the actors of metropolitan development? What is their capacity to act on metropolitan challenges? And how can they form partnerships around the EU Cohesion Policy? While the first two questions have been already studied (Zimmermann et al., 2020; Demazière, 2021), the latter question is specifically dealt with in the METRO study.

Previous research has shown that the development, management and implementation of the EU Cohesion Policy reveal quite diverse interactions between EU, national and local actors and are shaped in various instruments (Cotella, 2019). Regarding the place of metropolitan areas in public policies, this question has been the topic of lively debates on the national, regional and local political scenes for over half a century (Lefèvre, 1998; Kantor and Savitch, 2010; Tomàs, 2020). Metropolitan government emerges through institutional arrangements that are always specific to the country and / or the territory considered (Zimmermann et al., 2020). In France, the setting up and implementation of the 2014-2020 programme of the EU cohesion policy has taken place against a backdrop of the affirmation of a form of metropolitan government, called *métropoles*. The *métropoles* are recognised by the law on "Modernisation of territorial public action and affirmation of metropolises" (MAPTAM) of 27 January 2014. Such entities group municipalities, they have a legal form, operate based on formal rules and have a permanent character rather than being single-project oriented. The MAPTAM law also transfers a significant part of the management of the EU cohesion policy to the regions. In addition, the "New Territorial Organisation of the Republic" (NOTRE) law of 7 August 2015 increases the regions' fields of intervention. Finally, by the law of 16 January 2015, the number of French regions has been reduced from 22 to 13 by enlarging the territorial limits of some of them. As a result of this double movement, the *Métropole de Lyon* was born on 1 January 2015 and the Auvergne-Rhône-Alpes region was created on 31 December 2015.

Lyon, shows a bottom-up approach to metropolitan government. As early as in 2012, i.e. two years before the MAPTAM law was passed, Gérard Collomb, Mayor of Lyon and President of the EPCI Grand Lyon, and Michel Mercier, President of the Rhône General Council, agreed to create a *métropole* by merging, on the territory of the EPCI, Grand Lyon and the Rhône department. Furthermore, they obtained from the national government and the Parliament the election by direct universal suffrage of elected representatives of the *métropole*. This tailor-made status is unique in France, the *Métropole de Lyon* being the only *métropole* to be a fully-fledged local authority. The direct election of the political representatives took place in spring 2020.

Métropole de Lyon covers 59 municipalities and its perimeter is very close to that defined for the *communauté urbaine* which was created by the State in the 1969. With 1,390,240 inhabitants on an area of 534 km² in 2019, it encompasses only the core of the functional urban area.

Despite the high level of institutionalization and competences of the *Métropole de Lyon*, it presently does not have a prominent role in the elaboration of key policy and programming documents of the EU cohesion policy and in their management and implementation, while the *Région Auvergne-Rhône-Alpes* and the national level are the main players.

The research focused first on the institutional and policy framework for metropolitan governance at the national and case study level, i.e. Lyon Metropolitan Area (Mdl). Second, we analysed the EU cohesion policy institutional framework on the national level (France) and regional level (*Région Auvergne-Rhône-Alpes*). Third, we focused on the implementation of the EU cohesion policy in the case of *Métropole de Lyon*, analysing the instruments and their impacts on the ground. Finally, the last section of the report summarizes the main challenges and recommendations.

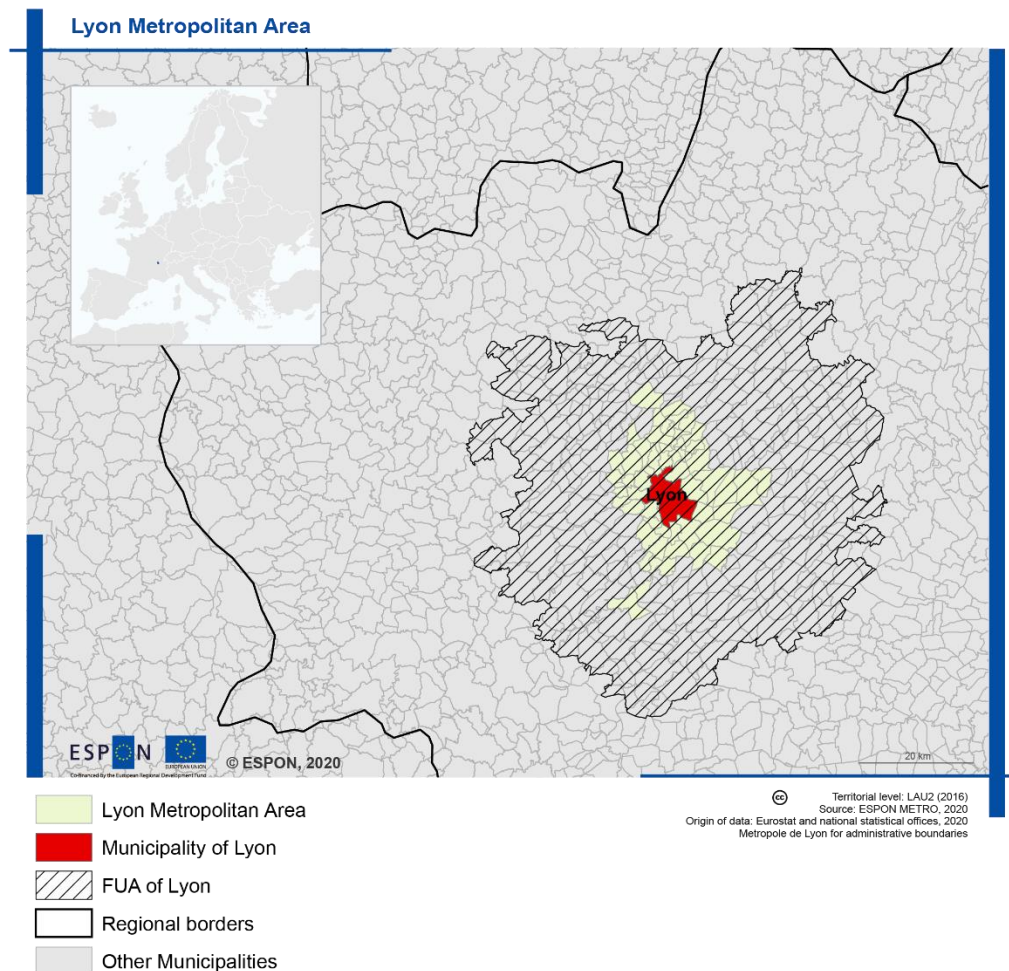
For this research we gathered information and data through desk research of available documents, literature and websites of various national, regional and local actors. We also accomplished 19 semi-structured interviews with 21 key actors involved in the metropolitan co-operation, governance and the implementation process of the EUCP in Lyon. These interviews were performed during February and May 2021.

2 Case study area contextualisation

The *Métropole de Lyon* (MdL) is located in the Auvergne-Rhône-Alpes Region. The Auvergne-Rhône-Alpes region, whose capital is Lyon, has a surface area of 69,711 km² making it the fourth largest region in France. It has a population of 7,877,698 inhabitants in 2015 and a GDP of 270 billion euros in 2019, making it the second largest region in France behind Ile-de-France and one of the top regions in the EU.

The *Métropole de Lyon* brings together 59 municipalities on an area of 534 km². In 2019 MdL has 1,390,240 inhabitants (17% of the population of Auvergne-Rhône-Alpes) with a density of 2,605/km². About 37.4% of the population lives in the core city of Lyon. Since 2010, the population has grown by an annual average of 1.1%. *Métropole de Lyon* has a strong economy, with a GDP of 74,6 billion euros in 2017, which represents nearly one third of the regional GDP, and 654,100 salaried jobs of which 557,800 in the private sector. Between 2012 and 2017, the number of private employees increased by 8.3%. In France, among the *métropoles*, Lyon experiences the most creation of jobs, with 15,900 jobs created in 2017, compared to 11,000 in Bordeaux, 10,200 in Aix-Marseille and 7,300 in Toulouse.

Map 2.1
Lyon case study area



Source: Authors' own elaboration (2021)

However, *Métropole de Lyon* encompasses only the core of the metropolitan area of Lyon (Map 2.1). As defined by the OECD and the EU, the functional urban area covers an area of 3,607 km² and gathers 326

municipalities and 2,098,635 inhabitants in 2019¹. As shows Table 2.1, with regards to its area, the *Métropole de Lyon* is 7 times smaller than the FUA. Nevertheless it represents 66% of its population, 89% of the economically active population, and 87% of the FUA GDP. The area of *Métropole de Lyon* is experiencing sustained demographic and economic growth, with a strong presence of industrial employment, a constant increase in jobs in business services and the regular establishment of foreign companies, which shows its attractiveness. However, major infrastructures are located outside the territory of *Métropole de Lyon*. This is the case, for instance, of the Lyon Saint-Exupéry airport which has 11,7 million passengers in 2019 and is the fourth airport in France for its traffic². At the heart of the agricultural green belt of the Lyon conurbation, this area is subject to strong urban pressure. According to Dugua and Trotta Brambilla (2012: 116), due to the presence of the airport, “it is difficult to find the right balance between the preservation of the agricultural green belt and the development of economic activity zones with a focus on logistics”. Indeed, “each new establishment (parking, roads, business premises, etc.) is linked to “piecemeal” logics that ignore the structure and identity of the place” (Dugua and Trotta Brambilla (2012: 124).

Table 2.1
Main territorial indicators

Theme	Indicator	FUA			Métropole de Lyon
		Core	Suburb	Total	
Institutional	Municipalities	19	307	326	59
	Area (km²)	220,5	3386,5	3607,0	533,7
Demography	Population (2019)	1076752	1021883	2098635	1390240
	Population (2010)	1009708	947728	1957436	1293164
Population by age groups (2018)	0-14	193239	211899	405138	256 958
	15-24	178222	116715	294937	215 121
	25-44	313425	250242	563667	387 598
	45-64	223147	268425	491572	302 179
	65+	168719	174603	343322	92 217
Population density (2019)		4883	302	582	2605
Employment (2017)	Activity rate	60	60	60	73,2
	Economically active population, total	526053	495973	1022026	912 019
	Persons unemployed, total	75063	4345	79408	89 378
	Unemployment rate	14	8,8	7,8	9,8

¹ We may also consider the travel to work area (called ‘*aire urbaine*’) since it is widely used in France to orientate national policies. As defined by the French national statistics institute, a travel to work area is made in France of all municipalities where at least 40% of the active population commutes to a central job pole. Using these lenses, the influence of Lyon is very large since the *aire urbaine* consists of 498 municipalities and it has 2,310,315 inhabitants in 2016 on an area of 6,012 km².

² The Lyon Saint-Exupéry Airport is located 10 kilometres from the *Métropole de Lyon*, in the commune of Colombier-Saugnieu, which is part of the *Communauté de communes de l’Est lyonnais*.

Theme	Indicator	FUA			Métropole de Lyon
GDP (2017-billion euros)		n.a.	n.a.	85,9	74,6

Source: authors' elaboration on OECD, Eurostat and Census data

Even though the *Métropole de Lyon* is a major job pole (for instance, 190,000 people who live outside the *Métropole* commute to work there each day), the unemployment rate is significantly higher than in the FUA as a whole. In 2015 the median standard of living of the inhabitants of the *Métropole* is €21,330 per capita (i.e. €1,777/month). There is a very marked east-west divide and pockets of poverty and precariousness, particularly in the 66 priority neighbourhoods of the city policy (Agence d'urbanisme de l'aire métropolitaine lyonnaise, 2019). In 2015, 17.5% of households living in the *Métropole de Lyon* were living below the poverty line (i.e. 731 €/month for a single person, excluding social assistance) (Agence d'urbanisme de l'aire métropolitaine lyonnaise, 2018). Moreover, between 2011 and 2015, there were almost 12,000 additional households below the poverty line in the territory, i.e. an increase of 13%, while at the same time the total number of households only increased by 6%. The increase in the number of households living below the poverty line is especially significant among tenants of social housing: +9,500 additional households, i.e. an increase of 22% in four years whereas at the same time, the total number of households renting social housing has only increased by only 10% (Agence d'urbanisme de l'aire métropolitaine lyonnaise, 2018).

3 Metropolitan governance structure and cooperation activities

3.1 Institutional framework

This section explores how metropolitan governance and cooperation are organized in Lyon. To address this question we need to account for the institutional reform which created *métropoles* in France in the mid 2010s. The motivations of the national government were twofold (Demazière, 2021). First, the basic level of local government is highly fragmented: in 2018, France has nearly 35,000 municipalities, that is 30% of all municipalities in the European Union for only 13% of the European population (Eurostat, 2019), and 86% of them have less than 2,000 inhabitants. As a consequence, the successive national governments have pushed for decades municipalities to engage in voluntary groupings of intermunicipal cooperation (called EPCI – *établissements publics de coopération intercommunale*). 22 *métropoles* were created in the mid 2010s as the latest form of EPCIs. Regarding their competences and their boundaries they are the heirs of the pre-existing *communautés urbaines* which were designed for large cities by the national government in the mid 1960s. Another key reason is that the 2008 global crisis has prompted French national governments (right and left) to adopt austerity measures and to introduce (territorial) reforms in order to meet the conditions imposed by EU economic governance agreements inaugurated after the eurozone crisis (Pasquier, 2016). The finances of French local governments have been forced to austerity, first due to a reform of the business tax in 2010 which caused a decrease in local taxation revenue, second by an unprecedented decrease in state grants (-11 billion euros from 2015 to 2017). In parallel, two successive reforms of local authorities were carried out between 2010 and 2016. They included (i) the reduction of the number of regions through mergers, (ii) comprehensive national coverage of intercommunal cooperation, and (iii) the creation of *métropoles*. The latter achievement shows a remarkable continuity between the government of right and left, which have succeeded one another in France in the last ten years. In 2010, a law made possible the creation of a new type of EPCI - called a *métropole* - for any municipal grouping of more than 500,000 inhabitants. The competences were those of a *communauté urbaine*, to which were added by legal transfer, or by agreement, competences of the departments and regions. However, only one *métropole* was created subsequently, in Nice. In 2014, the *loi de modernisation de l'action publique territoriale et d'affirmation des métropoles* (literally the 'law for the modernisation of territorial public action and affirmation of the metropolises'), often called MAPTAM law, designated 14 *métropoles* in addition to Nice. Among them one can find Lyon, but also Bordeaux, Grenoble, Lille, Nantes, Rennes, Rouen Strasbourg and Toulouse which were selected on the basis of their *communauté urbaine* status and their having more than 400,000 inhabitants in a city-region of more than 650,000 inhabitants. Later on, more *métropoles* were subsequently added to the list, reaching a total number of 22 *métropoles*. Some of them, like Brest, Nancy or Toulon have much less population and economic potential than Lyon, Marseille or Paris (Demazière et al., 2020).

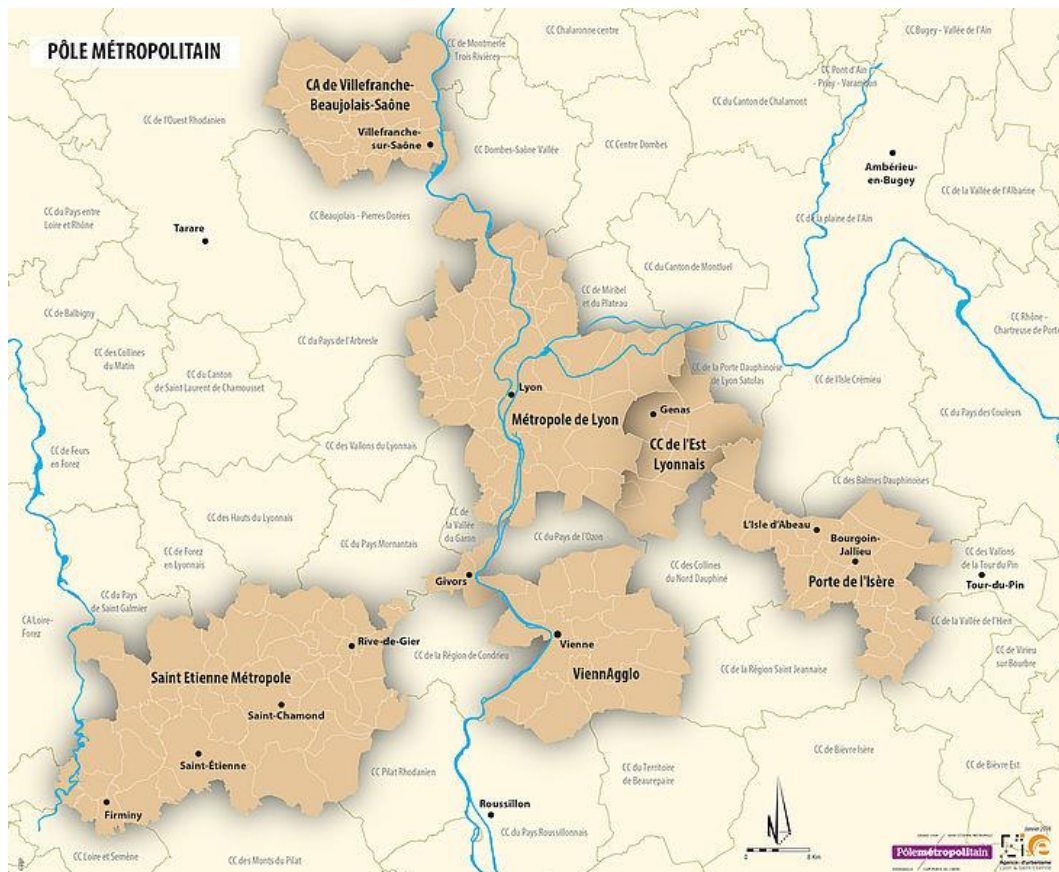
A *métropole* is a public institution with a legal personality and it can levy taxes. It has a set of compulsory powers that it exercises in place of the member municipalities in the field of spatial planning, economic development, innovation, housing, energy, tourism, culture, etc. The MAPTAM law has broadened the scope of competencies previously held by *communautés urbaines*. In particular, certain additional powers have been entrusted to *métropoles*:

- in terms of economic, social and cultural development and planning, *métropoles* can participate in the co-piloting of competitiveness clusters and in the capital of technology transfer companies. They can also take in charge the promotion of tourism and the support for higher education and research establishments, taking into account the plan drawn up in this area by the region (regional plan for higher education, research and innovation).
- regarding transport, *métropoles* are organizers of "mobility" and no longer of urban transport.
- the environmental field has been particularly expanded, with the following competencies entrusted to *métropoles*: contribution to the energy transition; development and adoption of the territorial climate-energy plan; creation, development, maintenance and management of urban heating or cooling networks; creation and maintenance of the charging infrastructure necessary for the use of electric or rechargeable hybrid vehicles; management of aquatic environments and flood prevention.

3.1.1 Other forms of cooperation

Métropole de Lyon is recognized as a central and legitimate actor by the private and public actors in the territory (ESPON, 2012; Galimberti et al., 2014). It exercises major competencies in place of the municipalities it groups together: spatial planning, social policies, housing, economic development, culture, tourism, environmental management, etc. For this reason, cooperation on a larger geographical scale is rare and is always marked by the strong involvement of the *Métropole*. This is the case, for example, with urban and suburban public transport, which is organized by a local public institution, SYTRAL (*Syndicat des transports Lyonnais*), in a territory that includes the *Métropole* and the Rhône department. SYTRAL is the organizing authority for mobility, governing several interconnected networks and services. Today, it is the only structure in France to organize all urban and interurban services and networks on this scale. Its budget is 500 million euros in 2019 and its governance is ensured by 31 elected officials, 23 of whom represent the *Métropole*, 4 the region, and 4 the four suburban voluntary groupings of municipalities that are involved in the partnership. This, and the fact that SYTRAL is chaired by the president of the *Métropole*, show the latter's involvement in cooperation.

Figure 3.1
The Pôle métropolitain de Lyon



Source: *Métropole de Lyon* (2021)

In France, the size of the metropolitan institutions (*communauté urbaine*, more recently *métropoles*) is generally seen as being constraining for the city's challenges related to territorial development (Motte, 2007; Demazière, 2021). To overcome this spatial limit, several initiatives have been proposed in recent years related to a wider governance structure for the metropolitan areas, but they have not shown to be successful (Demazière et al., forthcoming). In 2010, the Local Authorities Reform Act (*Loi de Réforme des Collectivités Territoriales*), introduced "metropolitan poles" (*pôles métropolitains*) as a very flexible form of governance.

Metropolitan poles have the legal status of a joint syndicate and consist of a number of groupings of municipalities, ranging in practice from two intermunicipal bodies (Nîmes, Alès) up to 20 (Caen Normandy) (Bariol-Mathais, 2017). About 20 metropolitan poles have developed in France and half of them are not located in metropolitan areas (Demazière et al., forthcoming). In contrast to the *métropoles* that were created since then, the metropolitan poles do not adhere to the two principles of exclusivity of competences and territorial continuity. They can create a network of cities in the form of a group of geographically distant intermunicipalities which work together to tackle interterritorial problems and planning issues. This institutional form is valued by local actors as a 'breath of fresh air' as it is not subject to the general logic of territorial reforms but offers more flexibility and opportunities for experimentation (Vanier, 2017).

In Lyon, a "Pôle Métropolitain" was established in 2012, to bring together the actors of four major groupings of municipalities in and around Lyon : the Greater Lyon grouping, the Saint-Etienne grouping, and groups of municipalities around the medium-sized towns of Bourgoin-Jallieu and Vienne. A few years later, another mid-sized town (Villefranche-sur-Saône) joined, as well as a suburban grouping which is adjacent to Lyon and which hosts the airport. This Metropolitan Pole covers 1,600 km² and nearly 2 million inhabitants to address issues such as transport, the economy and the environment. Some critics have raised questions about its potential efficacy (ESPON, 2012; Galimberti et al., 2014) and apparent illogicalities. In the beginning, the membership of the Metropolitan Pole was restricted by law to groupings of municipalities, which necessarily excludes other governance structures such as the Rhône-Alpes region and the *départements* of Rhône and Isère. Since the MAPTAM Law, which was passed in 2014, the metropolitan poles have been able to open up to include other partners such as the department or region, universities, harbours, economic development agents, tourist agents, chambers of trade and industry, and urban planning agents. However, this was not the case in the Lyon urban region. It is therefore questionable whether such a metropolitan governance structure can address issues at the wider scale effectively. In 2016, the budget for the Metropolitan Pole amounts to nearly €1.8 million, which is very little and means this is a weak structure.

Challenges and critical elements

- The creation of *métropoles* in France is part of a more general reform that also modified the competences and boundaries of regions and diminished the powers of departments. As other forms of subnational government, *métropoles* must find their place in a recomposed institutional landscape. *Métropole de Lyon* received additional powers but it also faces financial austerity.
 - As far as inter-territorial cooperation is concerned, the creation of the *pôle métropolitain* is ambiguous: is it a question of enabling the cooperation of the partners concerned or simply of displaying, on a European scale, a demographic or economic weight greater than that of the *métropole de Lyon*? In any case, the area of cooperation is at far cry from the boundaries of the functional metropolitan region.
-

3.2 Evolution of metropolitan cooperation

The creation of *Métropole de Lyon* on January 1, 2015 is the culmination of a logic of inter-municipal integration that has been pursued by both local and national public actors for more than five decades. The first step was the creation by the State, in the mid-1960s, of "*communautés urbaines*" (urban communities) grouping together the municipalities in the largest French conurbations outside Paris. The objective of the state was to remedy the discrepancy between the existing administrative structures and the geographical reality of the agglomerations. This institutional change was in line with certain academic and political debates of the time, in the United States and in various European countries, which emphasized the negative effects of institutional fragmentation and suggested the creation of powerful metropolitan institutions (Tomàs, 2020). The creation of local governments at a scale larger than the municipality was supposed to ensure "a better distribution of resources within the territory and, through their planning capacity, a more harmonious location of facilities, activities and residences" (Jouve and Lefèvre, 1999: 839). The *communauté urbaine* is a public institution with a legal personality, it can levy taxes and it has also a set of significant compulsory powers that it exercises in place of the member municipalities. At the time, these competences were the preparation

of planning and urban development documents, road and sewerage policies, the management of social housing bodies, transport and waste management policies, to which optional competences could be added.

The first *communautés urbaines* were imposed by the State on local elected officials (Desage, 2010). They were created by Law 66-1069 of 31 December 1966, for a few large cities: Bordeaux, Lille, Lyon and Strasbourg. In Lyon, the *communauté urbaine* was created on January 1, 1969. At the time, it was not possible for an intermunicipal association to bring together municipalities from several departments. Therefore, 6 communes from the Ain department and 23 communes from the Isère department were integrated into the Rhône department to join the new grouping. This forced attachment certainly remained in the memories of the mayors of several communes outside the *communauté urbaine*. Even though the posture of the State has changed, from authoritarian to facilitator, they may have feared a forced integration during the following decades. This may explain why the *communauté urbaine* has grown, in almost 50 years, by only 4 communes: Givors and Grigny joined in 2007, Lissieu in 2011 and Quincieux in 2014. The municipalities to the east of the Grand Lyon area have traditionally adopted a defensive position towards the Grand Lyon.

In 1997, Raymond Barre (then mayor of Lyon and president of the urban community) launched the "Millénaire 3" forward-looking approach, which aimed to imagine the future of the institution and the Lyon area. This exercise led to several proposals, including that of drawing up a territorial coherence plan (SCOT) for the metropolitan urban area, i.e., nearly 250 municipalities located in four departments. This ambition did not succeed because the groupings of municipalities around Grand Lyon refused it. There are currently about ten SCOTs in this large territory. Millénaire 3 also explored the extension of the perimeter of the *communauté urbaine* to peri-urban communes. However, faced with the opposition of these communes to the idea of joining the *communauté urbaine*, it is a partial merger with the Rhône department that has finally been achieved, through the creation of the *Métropole de Lyon*.

This process is based on an agreement reached at the end of 2012 between Michel Mercier, then president of the Rhône departmental council, and Gérard Collomb, then mayor of Lyon and president of Grand Lyon. This agreement provided for the creation of a "euro-metropolis" by 2014: Greater Lyon would replace the Rhône department within its territory and the project would result in a law in June 2013. Finally, the creation of the Lyon metropolis was included in the Law on the modernization of territorial public action and the affirmation of metropolises (MAPTAM law) of January 27, 2014 and was implemented on January 1, 2015. Gérard Collomb and Michel Mercier, also senators, used their influence with the parliament and the government to have the draft prepared in Lyon act by law. After the passage of the MAPTAM law, a MP declared that 'in the bill, the Lyon chapter was not written by the Law Commission. Everything had been negotiated before by Collomb and Mercier' (Pasquier, 2016: 350).

According to geographer Philippe Subra (2016: 226), "such an agreement between two potentially rival sub-national governments and, moreover, between two political adversaries, may come as a surprise. There are no other examples [in France] of a subnational government which would volunteer to be amputated of a part of its territory for the benefit of another". For Subra (2016), there are three reasons for this agreement. First, there is a structural reason, namely "the existence of a Lyon model of territorial governance, based on the search for consensus, or at least dialogue, between political forces and between elected officials and economic circles, but also with cultural and academic elites, with a shared objective: to make the agglomeration and the urban region a competitive and dynamic territory" (Subra, 2016: 226). There are two other reasons: on the one hand, the advantage for the right-wing departmental majority to exclude cantons in which the left is progressing; on the other hand, the transfer to the new *métropole*, among other things, of the Confluences museum, and therefore its financing, the cost of which continues to rise, and which weighs heavily on departmental finances.

In the end, the *Métropole de Lyon* took over from the *communauté urbaine* while also exercising all the powers of the Rhône department within its territory. In France, it is the only example of the "elimination" of a territorial level on a territory and the only *métropole* to be entitled to conduct social policies.

Figure 3.2
Timeline of metropolitan cooperation

<i>National level</i>	<i>Lyon's level</i>
Law 66-1069 of December 31, 1966, creating integrated groupings of municipalities, called <i>communautés urbaines</i> , in a few large conurbations (Bordeaux, Lille, Lyon, Strasbourg)	1966
	1969 Creation of <i>Communauté urbaine de Lyon</i> (named COURLY) on January 1, 1969 (55 municipalities)
	1970
	1980
	1991 COURLY is renamed Grand Lyon
Law 99-586 of July 12, 1999 which fosters and reinforces the groupings of municipalities. It helps <i>communautés urbaines</i> to take new policy fields from municipalities	1999
	2007 Two municipalities, Givors and Grigny, join Grand Lyon, which gathers now 57 municipalities
Law 2010-1563 of December 16, 2010 which gives the possibility to create groupings of municipalities as metropolitan governments, called ' <i>métropoles</i> '. Such change is open to the 4 <i>communautés urbaines</i> created in 1966 and for the groupings of municipalities which have more than 500,000 inhabitants	2010
	2011 The municipality of Lissieu joins Grand Lyon, which gathers 58 municipalities
	2012 The mayor of Lyon and President of Grand Lyon agrees with the President of the Rhône department for the creation of the <i>Métropole de Lyon</i> which would assume, within the perimeter of the <i>communauté urbaine</i> , all the competences exercised by the latter and those of the Rhône department. Both call for "a special law for Lyon, which needs to be implemented quickly in 2014 for the next elections".
	2014 The municipality of Quincieux joins Grand Lyon, which gathers 59 municipalities
Law 2014-58 of January 27, 2014 - law for the modernisation of territorial public action and affirmation of the métropolises (MAPTAM law) - designates 14 <i>métropoles</i> in addition to Nice. Among them, <i>Métropole de Lyon</i> is the only fully-fledged local authority	2014
	2015 <i>Métropole de Lyon</i> is created on January 1
	2020 15 March and 28 June : election by direct universal suffrage of the councillors of the <i>Métropole de Lyon</i>

Source: Author's elaboration

The governance of French *métropoles*, especially in the case of the three largest cities (Paris, Marseille and Lyon) illustrates a complex set of actors between the State and certain local authorities (Demazière, 2021). Under President Sarkozy, the national government launched in 2007 the idea of a metropolitan government for Greater Paris, combining two aims: on the one hand, grouping together independent municipalities, on the other hand, reinforcing the weight of the Parisian metropolis on a European and world scale. But it met the opposition from many concerned municipalities and from the Ile-de-France region. However, this project was pursued by the socialist government after 2012. The *métropole du Grand Paris* (Greater Paris metropolis) was legally created on 1 January 2016 as an EPCI grouping Paris, the 123 municipalities of the three neighbouring departments and 7 other communes. Similarly, in the South of France, the *métropole Aix-Marseille Provence* was created in 2016, even though it was the object of strong opposition from many mayors. In both cases, the *métropole* is considered to be politically weak since the main competences remain in the hands of the municipalities or pre-existing EPCIs.

On the contrary, Lyon, shows a bottom-up approach to metropolitan government. As early as in 2012, i.e. two years before the MAPTAM law was passed, Gérard Collomb, Mayor of Lyon and President of the EPCI Grand Lyon, and Michel Mercier, President of the Rhône General Council, agreed to create a *métropole* by merging, on the territory of the EPCI, Grand Lyon and the Rhône department. Furthermore, they obtained from the national government and the Parliament the election by direct universal suffrage of elected representatives of the *métropole*. This tailor-made status is unique in France, the *Métropole de Lyon* being the only *métropole* to be a fully-fledged local authority. The direct election of the political representatives took place in spring 2020. It could provide a strong political legitimacy to the *métropole* over municipalities, in contrast to all other French *métropoles* where there is only indirect election.

In brief, the case of Lyon shows a break in France with a two centuries long Jacobinism according to which each level of local government must have the same rights regardless of its size and geographic location. More than a recognition of the diversity of territories, this institutional heterogeneity marks the weight of certain local elected representatives in the reform, whether they acted for or against it. The creation of *métropoles* by law was fully wished and anticipated by local elected officials in Lyon, whereas it was fought fiercely, in Paris and Marseille, by mayors of small municipalities or elected officials of departments who feared that these disappear.

Another illustration of the weight of local elected officials in the creation of new forms of government for French metropolitan regions is the continuity of the perimeter between the *communauté urbaine de Lyon* and the *métropole*. *Métropole de Lyon* now covers 59 municipalities, all of them were already involved in the *communauté urbaine*. Regarding their competences and their boundaries, French *métropoles* are to a large extent the heirs of the pre-existing *communautés urbaines*. The MAPTAM law did not mention an enlargement of the perimeter of metropolitan areas and/or provide for a mechanism on this subject, therefore leaving the mayors to decide. Of the 15 *métropoles* resulting from the MAPTAM law, 7 have exactly the same perimeter as the pre-existing EPCI (Demazière et al., 2020). However, over the past decades, most of the corresponding city-regions have experienced strong demographic and economic growth and a movement of suburbanization, which would justify considering an expansion of the territory of metropolitan government. In the case of Lyon, the perimeter of the *métropole* is very close to that defined for the *communauté urbaine* which was created by the State in the 1969. Since then, only 4 municipalities joined the EPCI. Lyon (but also other French *métropoles* like Bordeaux or Nantes) illustrate a gap between the *de jure* metropolis and the *de facto* metropolis. As we said before, with 1,390,240 inhabitants on an area of 534 km² in 2019, the *Métropole de Lyon* encompasses only the core of the metropolitan area. The functional urban area defined by the OECD and the EU gathers 326 municipalities and 2,098,635 inhabitants in 2019, on an area of 3,607 km². When compared to the *Métropole de Lyon*, the functional urban area thus gathers 5 times more municipalities on an area which is 7 times larger.

Challenges and critical elements

- In terms of geography, the establishment of the *Métropole de Lyon* was obtained by simply replacing the *communauté urbaine* without modifying its boundaries. This has determined a metropolitan tier of government whose extension is very narrow as compared to the functional urban area where certain challenges are real (land seal, food supply, traffic congestion, air pollution...);
- In terms of competencies, by taking over from the *communauté urbaine* while also exercising all the powers of the Rhône department within its territory, the *Métropole de Lyon* is in France the only *métropole* to conduct social policies. This could provide fruitful synergies between various policy fields that matter for metropolitan development. But at the national level this could also result in a lack of visibility of the metro government for national social policies, and/or European cohesion policies, as compared to the 100 French departments and their association (*Association des Départements de France*);
- The representatives of the *Métropole de Lyon* are elected by direct universal suffrage, which is unique in France. All other French *métropoles* have only indirect election. Being a fully-fledged local authority could give a strong political legitimacy to *Métropole de Lyon* over municipalities but it might also lead to rivalry or conflicts.

3.2.1 Main competences of *Métropole de Lyon*

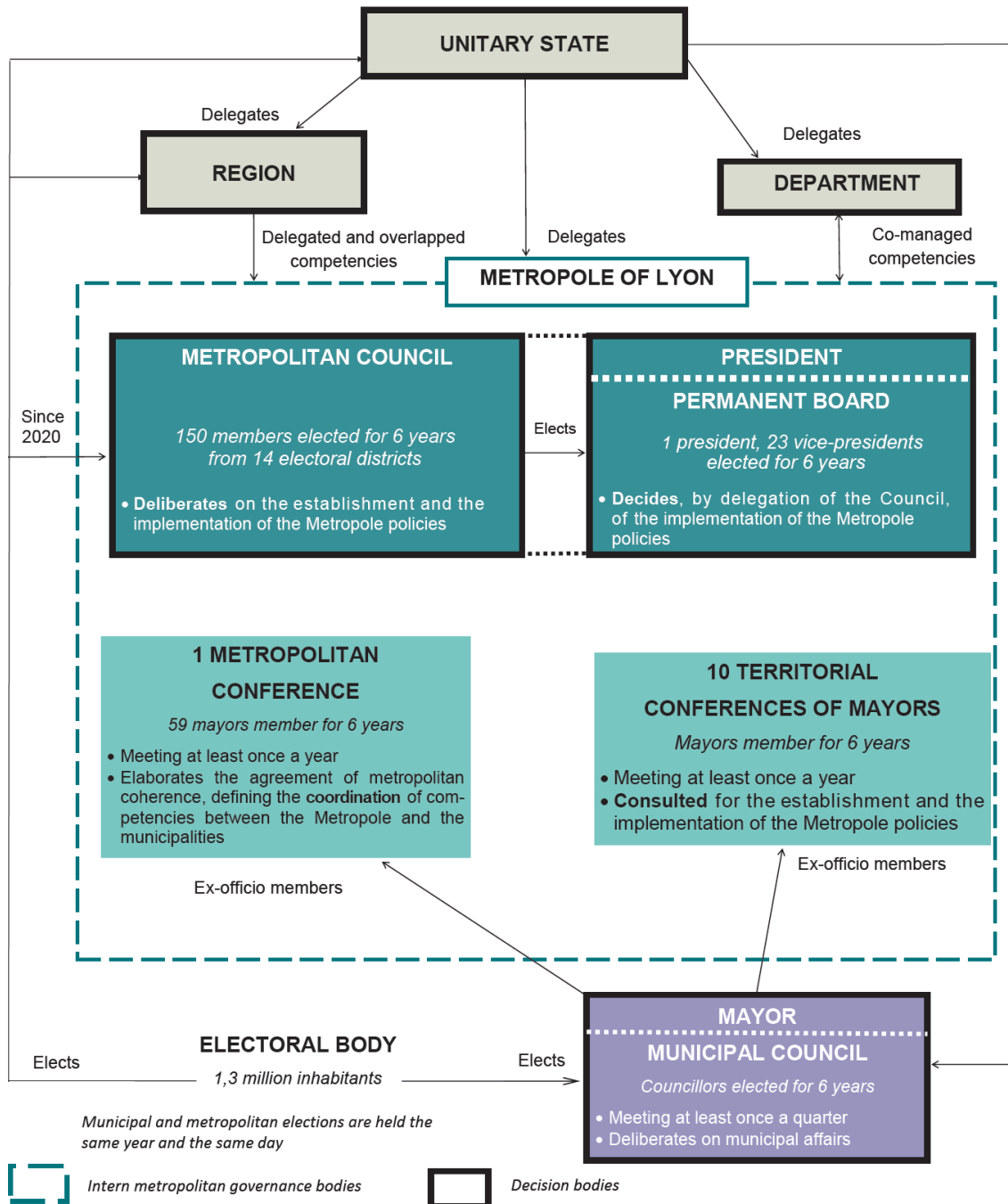
The competences of the French *métropoles* are very significant: spatial planning; economic, social and cultural development; local housing policy; urban policy; protection and enhancement of the environment and local amenity/liveability; management of public services of collective interest. Besides, *Métropole de Lyon* merges the fields of intervention of the former intermunicipal association and of the Rhône department. The MAPTAM law considers that *Métropole de Lyon* ‘forms a space of solidarity to develop and lead a planning and economic, ecological, educational, sporting, cultural and social development project for its territory, in order to improve its competitiveness and cohesion’. Cohesion is used here as *Métropole de Lyon* has all the powers in the area of integration and protection of vulnerable groups hitherto managed by the department.

The institutional framework of *Métropole de Lyon* now consists of the following key entities:

- *The metropole council deliberative assembly* consists of metropolitan councillors elected by universal suffrage. From 2020, the metropolitan councillors are elected directly by the citizens. The council then elects its president. In July 2020, Bruno Bernard was elected president of *Métropole de Lyon*, succeeding Gérard Collomb. The metropolitan councillors also elect the members of the permanent board.
- *The permanent board* is the executive commission. The 23 vice-presidents are responsible for a specific field of competence.
- *The Metropolitan conference* is a body coordinating *Métropole de Lyon* and the 59 member municipalities. This body debates all subjects of metropolitan interest. The metropolitan conference draws up the agreement of metropolitan coherence between the metropole and the municipalities within six months following each renewal of the municipal councils. This framework document proposes a strategy for delegating *Métropole de Lyon*’s powers to its member municipalities, and a strategy for delegating some of the municipalities’ powers to *Métropole de Lyon*.
- *Territorial conferences of mayors*: They bring together several municipalities that share issues and seek to respond to them together. They are consulted for advice during the development and implementation of Metropolitan policies. There are 10 such conferences.

Figure 3.3

Coordination mechanisms between the metropolitan development goals and the framework of national, regional and municipal goals



Source: Author, based on Agence d'urbanisme de l'aire métropolitaine lyonnaise (2016)

3.3 Metropolitan development goals

By law, the *Métropole de Lyon* exercises some of the powers of the municipalities in its territory and takes over the powers previously exercised by the *Département du Rhône*. Its competencies are very broad:

- economic development: innovation and support for businesses, integration and employment, attractiveness and tourism, land and property
- education, culture and leisure: secondary school, culture, universities, sports, community life

- social policies: the elderly, the disabled, children, health, priority neighbourhoods
- living environment: housing, transportation, nature, urban planning, energy, environment and ecology
- urban services: water and sanitation, roads, waste collection, cleaning of public spaces
- international relations: European projects, partnerships and international networks.

In contrast, the text of the MAPTAM law is quite succinct regarding the objectives assigned to the metropolitan government. Its article L. 3611-2. establishes that "the *Métropole de Lyon* forms a space of solidarity to elaborate and conduct a project of planning and economic, ecological, educational, sporting, cultural and social development of its territory, in order to improve its competitiveness and cohesion". Thus, the *Métropole de Lyon* is seen as a political institution that allows for the expression of territorial cohesion between the member municipalities, and that acts in an integrated, cross-cutting manner, handling a variety of competencies. Two broad development goals are mentioned: "competitiveness" and "cohesion" but the official text sets no guideline on how to define more precisely these aims. The following article of the law (L. 3611-3) states clearly that "the *Métropole de Lyon* is freely administered", following a principle which is common to all French territorial authorities. It is therefore up to the elected representatives of the *Métropole de Lyon* to define the development objectives of the entity, and this does not correspond to any mandatory document or procedure.

These remarks help to understand the fact that, according to the Regional Chamber of Accounts Auvergne Rhône-Alpes, "no mandate plan was drawn up during the 2014-2020 term of office, which the *Métropole* explains by the preparation of its creation, while specifying that various strategic documents such as the multi-year investment program, the metropolitan plan for integration and employment, or the metropolitan plan for solidarity, adopted over time, are equivalent to a mandate plan in their field" (Chambre régionale des comptes Auvergne Rhône-Alpes, 2020). A few years ago, Galimberti et al. (2014: 192) explained that "Greater Lyon has always worked, and this is what has made it successful, in "project" or "innovation" mode. The institution's momentum has been sustained by investment in major projects (yesterday Part-Dieu, today Confluence) and new competencies (yesterday transportation and public space, today development and economic attractiveness, tomorrow the smart city)". They add that "the advent of the *métropole* is contemporaneous with the erosion of the political dominance of the mayor-president and the consensus around the growth and attractiveness agenda" (Galimberti et al., 2014: 193). During around 30 years, three successive presidents of Greater Lyon - Michel Noir (1989-1995), Raymond Barre (1995-2001) and Gérard Collomb (2001-2020) - who are also mayors of Lyon, have focused Greater Lyon's policies on economic development and attractiveness of the territory. More recently, the spring 2020 elections saw the arrival to power of a green-left coalition at the city of Lyon and at the metropolitan level. Following this the priorities changed. This is quite visible in the new multi-year investment program which has been adopted by the new assembly, now headed by Bruno Bernard, for the duration of the mandate (2021-2026). Amounting to 3.6 billion euros, this programming clearly reflects new priorities. These are as follows:

- (i) responding to the problem of climate disruption;
- (ii) reorienting travel policies in favour of public transportation and active mobility;
- (iii) increased vigilance and support for the most vulnerable people;
- (iv) the pursuit of sustainable and sober economic development, favouring local actors;
- (v) the implementation of a comprehensive health policy that allows for the reduction of social and territorial inequalities;
- (vi) sustainable urban planning that promotes access to decent housing and the improvement of the quality of life, in particular through the return of nature to the city and the development of peaceful and shared public spaces.

In terms of financial amounts, the 2021-2026 investment policy will be a 3% increase over that voted in 2015.

3.3.1 Coherence with national and regional goals

In France, since the early 1980s, the State and local authorities have become accustomed to carrying out joint public actions formalized in the form of contracts that aim to achieve one or more common objectives.

A contract sets out the actions on which the signatories agree, establishes a timetable for implementation and determines the respective financial contributions of each.

The contract responds to the need for new modes of public action, marked by the plurality of actors, the complexity of the issues to be resolved, and the scarcity of means to satisfy growing objectives (Demazière, 2005). First of all, decentralization has put the State and local authorities on an equal footing in the process of developing and deciding public policies, requiring a "mutual adjustment" (Duran and Thoenig, 1996: 591). Local authorities are now in a position to negotiate with the State on public decisions concerning their areas, and the national government has had to find other means of persuasion than the circulars that were previously imposed. The contract allows the State to reposition itself towards a leadership role while requesting financial support from the local authorities. Moreover, the distribution of competences between the various local authorities (municipalities, departments and regions) calls for cooperation between them.

In addition, the French State and local authorities have been confronted with the manifestation of renewed territorial disparities, to which the traditional method of sectoral interventions does not respond efficiently. Contracts allow for partnership-based but also multidimensional actions, tailored to the specificities of the territories. They mobilize actors in the fields of urban planning, housing, employment, schools, culture, public services, etc.

It was with the State-Region Plan Contracts (CPER) that contractualization emerged on the public scene. Law n°82-653 of July 29, 1982 asks the regions to draw up their own plan, covering a period of five years, identical to the national plan. On the basis of this plan, the region can enter sign a contract with the State when its orientations are compatible with those of the national plan. The CPERs allow the regions to cooperate with the State but also to acquire the legitimacy of coordinating the policies carried out in the regional area, although the region has no control over the other authorities.

Over time, the practice of CPERs has grown, with financial volumes increasing from 11 to 30 billion euros between the 1984-1988 period and the 2015-2020 period. In addition, since the 2000s, the CPERs have seen the participation of the *départements* and EPCIs of large cities. This reveals a desire on the part of the State to encourage bottom-up approaches while leaving sub-national actors considerable freedom to adapt. Local authorities and EPCIs are led to construct their own methods of regulating their relations (Duran and Thoenig, 1996).

For the 2015-2020 programming of the CPERs, the objectives are to strengthen the competitiveness and attractiveness of the French territories through efficient transport networks, public-private partnerships for research and innovation, projects promoting the ecological and energy transition, green growth and the deployment of the digital economy, and integrated territorial development. The State and the regions have committed to mobilizing 14.3 and 15.2 billion euros respectively, plus 900 million euros from the signatory sub-regional authorities.

In Rhône-Alpes, the 2015-2020 CPER amounts to 4 billion euros. It includes a territorial component, which involves other local authorities and partners, including the eight departments of the Rhône-Alpes region, each of which has a departmental contract, and the *Métropole de Lyon*, with which a metropolitan contract has been signed. In fact, according to article L.3641-6 of the MAPTAM law, "the *Métropole de Lyon* is automatically associated with the preparation of the CPER, which includes a specific section for its territory". Previously, the *communauté urbaine* was only consulted by the regional council during the preparation of the CPER.

For this first metropolitan contract, the choice was made to focus on two themes: multimodal mobility and higher education. Investments are devoted to Lyon's rail hub, financed in equal parts by the State and the region (96 million each) and 77 million by the *Métropole de Lyon*. This includes the modernization of the Lyon Part-Dieu station multimodal interchange. In addition, 200 million euros are dedicated to higher education and research, with the construction of innovation facilities, social student housing, etc.

In 2019, the State, the Auvergne-Rhône-Alpes Region and the *Métropole de Lyon* have signed an amendment to the 2015-2020 CPER to increase investments for the development and planning of the metropolitan area from €657 million to €870 million. *Métropole de Lyon* is injecting an additional €107 million, while the region and the State are investing €58 million and €49 million respectively.

The metropolitan contract is a new procedure that brings together public actors who were previously autonomous in their choices, or who operated in a bilateral relationship (State-region, region-agglomeration, etc.).

In this type of situation, the unknown lies, in the words of Duran (1999, p. 151), in the "capacity for arrangement that ensures the compatibility of the issues of the actors present and the coherence of their strategies". Discussions can be marked by disagreements. For example, in the case of Lyon, the region has adopted a principled position of non-participation in road projects or urban public transport projects. Moreover, according to some observers, during the 2007-2013 CPER the region's contribution was €50 per inhabitant, whereas in the metropolitan contract it is only €40 per inhabitant. Meanwhile the budget of the Rhône-Alpes region has increased by 11%, from €2.116 billion in 2007 to €2.343 billion in 2015. Another example of the difficult alignment of the strategies of a Metropole, the region and the state is that the amendment to the metropolitan contract was signed in 2019 after long months of negotiation. Finally, it should be said that the alignment of priorities between the players is partial by nature, since, considering the total budget of the State, the region and *Métropole de Lyon*, their respective financial involvement in the CPER weighs only a few per cent.

The story is not ending since CPERs for the period 2021-2027 are currently being prepared. The partnership agreement signed on September 28, 2020 by the Prime Minister and the presidents of the regional councils sets a minimum national commitment of €20 billion from the State and €20 billion from the regions. In order to create a leverage effect, the credits made available by the State are intended to be supplemented by co-financing from local authorities. So there should be a new contract for the *Métropole de Lyon*.

3.3.2 Coherence with municipal goals

There is no significant misalignment between the *Métropole de Lyon* and the aims of municipalities regarding local development, since the former is formed by the 59 municipalities of the region and the *métropole* is the heir of the *communauté urbaine* which was formed more than 50 years ago. Should misalignment arise, the Metropolitan Council is the appropriate body to resolve any issues.

Challenges and critical elements

- In France, all tiers of subnational government are freely administered and no territorial authority exercises guardianship over another. This implies that in a given region, the regional authority and the metropolitan government may develop divergent actions. This risk is limited by financial constraints but it may be increased by opposed ideologies. In the case of Lyon, the political rivalry between the regional authority and the metropolitan government is real.
 - The CPER is a tool to promote the coordination and convergence of actions. It was originally intended for dialogue between the State and the region, but it has now been extended to the *Métropole de Lyon*, through a metropolitan axis that has been introduced into the 2015-2020 CPER. However, the limited financial amounts involved mean that it has been restricted to a small number of areas (mobility, higher education and research) which are not the core areas of competence of the *Métropole de Lyon*. In addition, the tripartite discussions to determine the content of the CPER seem to be uneasy.
-

3.4 Metropolitan development and planning instruments

In France, decentralization laws in the 1980s have resulted in the transfer of the bulk of urban planning powers and thus of local planning to around 35,000 communes. This competence was extended to voluntary groupings of municipalities by the Urban Solidarity and Renewal Act (SRU) in 2000. Two planning tools are key: the territorial coherence scheme (*schéma de cohérence territoriale* - SCOT) and the local plan (*plan local d'urbanisme* - PLU). These plans evolve regularly, both in their objectives and in their development process. They aim to preserve the environment more strongly following the law on the national commitment to the environment (2010), or to promote social diversity following laws on housing or the regeneration of disadvantaged neighbourhoods (2014). In addition, the legislator or the territories themselves have put forward new planning instruments with an environmental focus (territorial climate and energy plan, oxygen plan, energy master plan...) which we will discuss later.

At the scale of a living area, the SCOT is the pivotal document of urban planning in France. This plan replaces the master plan (SD): it is less focused on land use and more on strategy and foresight. It aims at the definition of a shared project at the scale of one or several groupings of municipalities. On January 1, 2020, France had more than 450 SCOTs covering 95% of the French population and 85% of the communes. These figures reflect a real revival of spatial planning in France. The SCOT expresses a project of a political nature. It is not an operational tool that can carry out actions, but it establishes a framework and constraints that ensure the conditions for carrying out these actions.

The SCOT has a legal framework that all other urban planning documents must comply with by way of compatibility. With an objective of territorial coherence, this plan must deal with the major balances of development (extension/renewal/protection of natural sectors), social mix and the diversity of urban functions. It must also make it possible to better link urban planning and transport issues. The development of the SCOT refers to a concerted process between the groupings concerned, the State, the region, the department, but also the representatives of the socio-economic world and associations. However, the realization of the SCOT is made difficult by the size of the territory under consideration. The perimeters can take very diverse forms with generally several tens of communes of several groupings, but often have difficulty in taking into account the whole of a functional urban region (Demazière, 2018).

In 2000, the SRU law also transformed the land use plan (*plan d'occupation des sols* - POS) into a local urban plan (*Plan local d'urbanisme* - PLU) with the objective that the communes define an urban project and not just a zoning. The PLU must articulate the design of an urban development project and the pre-operational dimensions of the development. Like the SCOT, the PLU has complex statutory objectives in terms of diversity of functions and environmental protection, and it is drawn up by local elected officials at the municipal or inter-municipal level. The PLUs must therefore arbitrate the interests, sometimes contradictory, of the actors present on the territory, whether institutional, economic or from civil society. The PLU sets out the EPCI's or the municipality's urban planning project and defines the general orientations of the policies for development, equipment, urban planning, protection of natural, agricultural and forest areas, and preservation or restoration of ecological continuity. It defines the general orientations of development and sets objectives for the moderation of the consumption of space. The by-law sets the general rules and easements for land use. It is opposable to any public or private person for the execution of any work or construction.

In most cases, the PLU is carried out at the communal level. However, the State now encourages its replacement by the PLUI, 'I' meaning here intermunicipal. The PLUI covers a larger perimeter than the PLU but it is also more integrative since it includes housing and transport planning guidelines. The PLU may also merge with the local programme for housing (Programme local de l'habitat – PLH), then becoming a PLUH. This is the case in Lyon.

In the case of Lyon, the SCOT has been elaborated by a dedicated organisation that brings together *Métropole de Lyon* and two suburban groupings of municipalities. It has been approved in 2017. The PLUH covers the 59 member municipalities and it was approved by the Lyon Metropolitan Council on May 13, 2019. It acknowledges the multifaceted dynamics of the agglomeration. By defining new regulation for land use, it aims to address four challenges which are quite typical of European metropolitan regions:

- "the metropolitan challenge: to develop the attractiveness of the agglomeration to build a responsible metropolis;
- the economic challenge: to support the economic dynamism of the agglomeration to ensure the creation of wealth and jobs;
- the challenge of solidarity: to develop a welcoming, united and balanced urban area to meet the housing needs of all its inhabitants;
- the environmental challenge: to respond to environmental issues and improve the living environment for the health and well-being of the inhabitants." (Métropole de Lyon, 2019: 6).

The SCOT of Lyon has quite similar aims. Firstly, it supports the development of an economy of excellence to better position the agglomeration in the competition between metropolises, but also of a diversified economy that creates jobs for all categories of population. It also sets ambitious objectives for residential development (150,000 new inhabitants and 150,000 new homes by 2030). Finally, it aims to protect large natural and agricultural areas and agricultural spaces, strengthening nature in the city, preserving resources and biodiversity, reducing risks and nuisances, take into account climate and energy issues and energy issues.

It is worth noting that the SCOT of Lyon covers a small territory as compared to the Lyon metropolitan area. Whether in terms of housing, employment, shopping or leisure activities, the practices of the inhabitants extend beyond limits of the conurbation and are deployed throughout the Lyon Saint-Etienne metropolitan area within a radius of approximately 60 kilometers around Lyon. This implies that there is great interdependence between the different territories. Even though they elaborate their own SCOT, the territories that make up the Lyon Saint-Etienne metropolitan area have become aware of their interdependence and their common future. They have endeavored to align their development orientations and have agreed on a shared vision of territorial development on this scale, in the form of a common chapter which expresses in each SCOT, the aims of the metropolitan project. This cooperative approach has been called the "inter-SCOT". The inter-SCOT is a cooperative approach between the 13 mixed syndicates carrying SCOT in the Lyon metropolitan area. Initiated in 2002 by elected officials and made official in 2004 with the signing of an agreement, it demonstrates the political will of local authorities to coordinate their planning processes.

A second remark is that new planning tools are being developed in France and especially in Lyon as recent laws have highlighted the importance of climate, energy, resource and biodiversity conservation, as well as public health issues. In order to meet the new challenges facing society, which are marked by environmental emergencies (climate, energy, resources and biodiversity) and the need to enter a phase of energy transition, the *Métropole de Lyon* must therefore think differently about the development of its territory: limiting greenhouse gas emissions by better controlling travel, saving resources (energy, water, soil, air) and preserving biodiversity. This evolution must also integrate the issues of health and well-being of the inhabitants (risks, air quality, etc.).

In 2005, the *communauté urbaine* adopted its first Agenda 21. Then, it set up a Climate and Energy Plan (PCET) which recognizes the European objectives of "3 x 20" by 2020 and "Factor 4" by 2050. This document was elaborated in consultation with nearly 200 partners of the territory and a partnership action plan was signed by 60 partners in 2011. From 2015, *Métropole de Lyon* has continued its efforts by initiating structuring actions such as the creation of a local platform for eco-renovation, or the elaboration of an Energy Master Plan. The PCET then prepared its evolution into a PCAET, integrating the theme of air quality with the Oxygen plan (2017). The Territorial Climate Air and Energy Plan has been voted by the *Métropole de Lyon* in December 2019. It covers the period 2020 - 2030. It aims to achieve three objectives: to increase the share of renewable energy to 17% in 2030, to reduce carbon emissions by 43% compared to 2000, to reduce energy consumption by 30% compared to 2000. To achieve these objectives, the PCAET provides for concrete actions in the sectors that emit the most CO₂ (housing, offices, transport, industry...). It also takes into account future global warming since it plans to plant 3,000 trees each year between 2020 and 2030 to create cool islands. Overall, the *Métropole de Lyon* is working to refine its planning tools and public policies in order to better integrate the challenges of the energy transition and climate adaptation through a new conception of the city's organization.

3.4.1 Instruments in the framework of other cooperation initiatives

Among the cooperation initiatives of *Métropole de Lyon* in the metropolitan region, we have already mentioned the *pôle métropolitain* (see section 3.1.1). However, no specific instrument is associated to this cooperation scheme.

3.4.2 Instrument and initiatives related to COVID-19

To help businesses cope with the COVID crisis, Grand Lyon voted in April 2020, during the first lockdown, for an emergency fund of 100 million euros. The businesses concerned are those, small in size, whose activity has been interrupted (restaurants or bars for example) or which belong to a particularly affected sector: non-food businesses, restaurants, tourism, cultural and sports activities, events, transport-storage... This fund enabled exceptional assistance of 1,000 euros per month in spring 2020, in addition to that of the State (1,500 €).

Starting in March 2020, the *Métropole de Lyon* has also set aside €200,000 to provide rapid assistance to associations that carry out actions to meet the essential needs of the population in the fight against the epidemic and its side effects (food or health assistance to homeless people, assistance to isolated people, the fight against domestic violence, school support for children of families in precarious situations, etc.). Associations could thus obtain an emergency grant of between 500 and 3000 euros. Following the elections held in June 2020, Grand Lyon's standing committee met for the first time on September 14 2020. It adopted a series of deliberations to deal with the COVID-19 health crisis. Grand Lyon has thus decided to implement

a support plan for metropolitan social and medico-social establishments and services (ESSMS) for child protection. An exceptional bonus, which can go up to € 1,000 for an overall envelope of € 2 million, will be paid to employees in this sector who took action during the health crisis. *Métropole de Lyon* is also setting up a support fund with a maximum envelope of 1,350,000 euros for these establishments.

The new executive also wished to strengthen the strategy to fight against poverty, around the mobilization of 300 actors of the territory, with a budget of 7.3 million euros, half of which is supported by the *Métropole de Lyon*, with emphasis on domestic and intra-family violence, but also on the issue of access to housing, integration through employment and training of social workers.

During the second lockdown which last from end of October to mid-December 2020, the metropolitan council decided a new series of financial aids. The diagnosis made is that the health crisis is having a very strong impact on the local economic sector and local businesses. 30,000 jobs have been affected by this crisis in the metropolitan area and the number of beneficiaries of the "*revenu de solidarité active*" (RSA) has increased by 9.5% between January and November 2020. This is why measures were taken to support local businesses, such as the November 2020 rent exemption for closed businesses, assistance to help merchants go digital, such as "click and collect" and financial support for merchants' associations. The *Métropole de Lyon* has also set aside a budget of 300,000 euros to support the cultural sector during the crisis. In November 2020, it also decided to exceptionally support, up to 300,000 euros, the associations working in the framework of the education plan for sustainable development and the food strategy, and whose action programs have been strongly impacted by the health crisis. Finally, to help people in great difficulty, the *Métropole* has set aside 1 million euros to shelter 150 people, 260,000 euros to support associations that help the most vulnerable, 300,000 masks for home help and 60,000 euros to provide psychological support to the most vulnerable.

Challenges and critical elements

The planning system has been reformed in France and it sets ambitious goals for sustainable development that demand highly integrated planning across functional territories. Through its numerous planning documents, which are revised regularly, the *Métropole de Lyon* wishes to respond in a relevant and comprehensive manner to environmental issues (climate change, air quality, energy, etc.), as well as social and economic ones. However, the efficiency of the implementation of actions sometimes requires cooperation with other groups of peri-urban municipalities, which do not have the same resources and do not necessarily have the same objectives. A key challenge is to achieve a shared vision between elected officials regarding the urban-rural areas development.

3.5 Metropolitan financing and budgeting

The budget for *Métropole de Lyon* in 2021 is nearly 4 billion euros, with a staff of around 9,400 people, covering competencies including transport, social assistance, culture, education, international relations, green space and economic development.

In France, the creation of metropolitan governments took place, as in Italy, under the influence of the new public management (Demazière, 2021). Under the influence of the eurozone crisis, the French government has reduced its grants to local authorities (-11 billion euros over the period 2015-2017), whereas it had increased them every year for twenty years, thus accompanying the projects of local authorities (urban regeneration, public transport, culture, etc.). Thus, the municipality of Lyon has seen a gradual and lasting reduction in the overall operating grant it receives. This will fall from 103 to 63 million euros between 2013 and 2019. Since 2015, the year in which the *Métropole* was created, the general level of spending by the municipality of Lyon has been decreasing. Only operating expenses have increased steadily, while investment expenses have contracted significantly (-40%).

Table 3.1**Evolution of expenses of *Métropole de Lyon* and *Département du Rhône* (millions euros)**

	2014	2015	2016	2017	2018	2019	2020	2021
Métropole de Lyon	1641*	3076	3092	3162	3417	3335	3481	3970
Département du Rhône	2281	527	511	547	561	572	592	636

* This is the budget of *Communauté urbaine de Lyon*.

Source: *Métropole de Lyon*, *Département du Rhône*

Due to the takeover of competences (social, in particular) from the Rhône department, the budget of Grand Lyon has almost doubled between 2014 and 2015, rising from €1.6bn to €3bn (Table 3.1). Meanwhile, the budget of Département du Rhône was divided by 4 in 2015, as compared to 2014. The metropole also took over about two thirds of the department's debt and assumed 30% (€127m) of the total cost of exiting the toxic loans that the department had previously contracted (€424m). This financial arrangement was part of the political agreement between the *communauté urbaine* and the department for the creation of the *Métropole*. Within this framework, the *Métropole* also pays an annual allocation of €72 million to the Rhône department, which is a form of territorial equalisation.

Table 3.2**Main operating expenses of the *Métropole de Lyon* (2015-2019)**

	2015	2016	2017	2018	2019
Staff costs	412,3	415,8	424,1	424,5	440,9
Social assistance	675,4	689,4	716,5	730,3	746,3
Mandatory contributions	258,4	255,6	252,9	249,8	246,9
Operating subsidies	134,4	135,4	153,0	114,4	81,2

Source : *Métropole de Lyon*

Regarding the finances of *Métropole de Lyon*, in 2019, the main sources of income correspond to tax revenues from businesses and households (1.5 billion euros) and financial transfers received from the State (0.8 billion euros). As shows Table 3.2, the main expenses include the following items:

- social assistance, which is a solidarity payment provided by the *Métropole* to any person in need because of their state of health or their economic and/or social situation. This assistance is statutory, i.e. set down by law, and constitutes compulsory expenditure for the authority. Such expenditures have increased by nearly 10% over the last five years.
- staff costs are over 400 million euros, considering that there are more than 9,400 officials working for the *Métropole*.
- mandatory contributions are legally mandatory contributions include mainly subsidies to the companies operating public transport, or fire and emergency services. They have slightly decreased in the recent period.
- operating subsidies relate particularly to voluntary contributions to the housing sector (€9.6 million in 2019), economic development (€3.5 million), the environment (€3.5 million) and a subsidy to the town planning agency (€3.48 million). Such subsidies have been reduced in the recent years.

The impact of the COVID-19 on local resources is quite visible when having a look at the 2021 budget. On the one hand, the slowdown in the economy resulted in a drop in tax revenues (minus 30 million euros), and on the other hand, expenditures increase, particularly social expenditures (+7% of social expenditures compared to 2020). The increase in the number of RSA beneficiaries is anticipated, with 44.3 million euros budgeted, to which must be added the 10 million euros expected to be spent on the "youth solidarity income", a type of income for those under 25 years of age that the *Métropole de Lyon* has decided to experiment with.

Regarding investment, it is organised on the medium term, through a multi-year investment programme (MYIP). For the period 2015-20210, six areas that represent the *Métropole's* areas of responsibility have been identified and provided with a total gross amount of €3.5 billion:

- roads/travel/mobility/alternative modes of transport: €1,000.5 million;
- economic growth/employment/culture-sport-education: €623.7 million;
- environment: €534.8 million;
- solidarity and housing: €580.5 million;
- amenities and hubs: €513.5 million;
- estate and resources: €266.9 million.

As mentioned before, a new MYIP has been adopted by the metropolitan council for the mandate 2021-2026. Amounting to 3.6 billion euros, this programming aims at promoting recovery and transition in the ecological, social and economic fields. It affirms three main principles: "(i) a *Métropole* that is a leader in the ecological transition; (ii) a *Métropole* that shows solidarity; (iii) a *Métropole* that is committed to a partnership approach with its 59 constituent municipalities and neighboring communities, that listens to its residents and their collective actions, and that is attentive to the innovations of the private sector and the research community" (*Métropole de Lyon*, 2021: 3). The main priorities will be:

- travel and active mobility, intermodality, roads: €579,9 million;
- economic development, employment, integration, universities and research, tourism, information systems: €392.2 million;
- environment, energy, agriculture, water and waste: €517 million;
- health, social, education and living environment: €335 million;
- housing: €518.1 million;
- urban planning: €944.6 million;
- estate and general resources: €98.5 million;
- territorialized envelopes: €200 million;
- external contributions: €15 million.

Over the last twenty years, the amount of the MYIP has kept increasing. After the €2.1 billion invested during the 2002-2008 period, €3.2 billion has been committed between 2009 and 2014. The 2021-2026 MYIP increases by 8% as compared to the expenses that have been realized under the 2015-2020 MYIP (*Métropole de Lyon*, 2021).

It should be noted that *Métropole de Lyon* is concerned by several equalization mechanisms that are managed by the national government in order to reduce wealth differences between territorial areas. This redistribution mechanism applies between groupings of municipalities, between municipalities or between departments. It also takes the form of extra grants from the State to communes and their grouping due to the existence of disadvantaged districts. In that regard, *Métropole de Lyon* received 16 million from the state in 2019. But, on the other hand, it paid 19,8 M€ to others intercommunal groups and 123,8 M€ to other *Départements*, including 72,3 M€ to the *Département du Rhône*.

Challenges and critical elements

- The *Métropole de Lyon* has a considerable operating and capital budget given its vast competencies. It has by far the largest budget of any French *métropole*, even though it has less inhabitants than Greater Paris or Aix-Marseille-Provence. (The Greater Paris metropolis has 7.2 million inhabitants but it redistributes 98% of its resources to its member municipalities and its own operating budget will amount to only €57.4 million in 2020. Aix-Marseille-Provence has a budget of 1.1 billion euros in 2020, for a population of 1.9 million inhabitants.)
- A major challenge for the *Métropole de Lyon* is to act to cushion the negative economic and social effects of the COVID-19 crisis, while not worsening its financial situation. Thus, in the 2021 budget, social spending increases by 7% compared to 2020, amounting to €44.3 million. In particular, there has been a sharp increase in the number of people in precarious situation who survive on the RSA.

3.6 The role and participation of social groups and business actors in metropolitan governance

3.6.1 Social groups and the civil society

The civil society is fully part of the governance of *Métropole de Lyon* through its development council (*conseil de développement*). In France, a development council is a consultative body of groupings of municipalities, provided for by law to participate in the reflection on public policy and its development. In the case of Lyon, it is made up of 200 members divided into six colleges (Economic Actors: 30 members; Public and related bodies: 25 members; Associative life: 36 members; Territorial representation of inhabitants: 45 members; Voluntary citizens: 45 members; Qualified personalities: 22 members). Its president is designated by the president of Greater Lyon, as well as qualified personalities. The development council has a bureau, a plenary assembly, standing committees and working groups. It has a budget voted by the Metropolitan Council. Expenditures devoted to this development council amounted to €0.1 million per year over the period 2015–2018. It produces opinions and can be consulted on any issue relating to the development or planning of the metropolis. Its contributions are made on its own initiative or at the request of the *métropole*. Since its installation in 2015, it has organized several actions and workshops for debates and discussions on various subjects: territorial coherence plan, energy master plan, food strategy, etc.

3.6.2 Business community

According to Carpenter and Verhage (2014) and Jouve (2009), the development of Lyon is, in comparison with many other French cities, largely influenced by private economic actors (merchants, bankers, and those associated with industry). Between 1945 and 1975, which was a period of economic and demographic growth in France, the national government played an important role in the urban development of Lyon. However, since the beginning of the 1980s and following the decentralisation laws, local elites, both political and economic, became again the main drivers of urban development. The Chamber of Commerce and Industry of Lyon (CCIL) is an important economic player in the Lyon area as it participates in the management of the two main airports (Saint-Exupéry and Bron), it manages the largest exhibition park (Eurexpo) and several business schools. It takes part in many public-private structures and is involved in many councils, committees, working groups having to do with economic development and territorial planning (ESPON, 2012).

Over the years a tradition of cooperation and collaboration between local government and economic elites has developed in Lyon. A first initiative involved the establishment in 1974 of an economic development agency for the Lyon region, ADERLY (*Agence pour le Développement Economique de la Région Lyonnaise*), bringing together representatives from the Greater Lyon political institution with representatives of business (Jouve, 2009). ADERLY was also the forum for the first reflections on the internationalisation of the city, and the role that Lyon could play on an international stage. In the ESPON (2012) study, it is noted that the importance of representatives of business who play a significant role in the governance of the ADERLY and are major contributors to its budget is quite exceptional in France where local development agencies are

usually controlled by local authorities. The ADERLY has always been very active in the international promotion of Lyon and has acted as an inward agency for the Lyon metropolis from the very beginning. It was one of the first development agencies to open representations abroad (such as in New York and Tokyo). To give another example of public-private partnership, the famous city brand ONLYLYON is managed by the ADERLY for the Tourist office of Lyon and for Eurexpo, the exhibition centre managed by the Chamber of commerce.

Challenges and critical elements

- The business community is since long implied in the governance of Greater Lyon. The new executive of *Métropole de Lyon* intend to open up to residents and their collective actions. The gradual integration of participation mechanisms into the public policy-making process will allow the development council to evolve in its missions.
-

3.7 Participation to policy networks

According to Fricke (2020), Lyon has been able to position itself as a European metropolitan region, whereas other metropolitan regions choose to be internationally engaged only indirectly, for instance, via national associations and other forms of collective interest representation instead of establishing direct links or independent international units. In her study of Stuttgart and Lyon, Fricke (2020: 7) argues that « in the two metropolitan regions, the mayors of the central city and presidents of the metropolitan organisation continually supported engagement in international networks, partnerships and cooperation projects ».

International networking certainly started in Lyon with Michel Noir who was mayor of Lyon and President of Grand Lyon from 1989 to 1995. Michel Noir had also held office in national government under President Chirac, as Minister for Foreign Trade, and this gave him the opportunity to look internationally, and think more broadly about Lyon's role in relation to other European cities and beyond (Jouve, 2009). When the Socialist Gérard Collomb took power in the election of 2001, he continued the international approach, pushing forward with a policy of marketing the city to foreign investors, while at the same time launching a series of high-profile urban development projects in Lyon. Collomb was also keen to get involved in networks of European cities, to exchange good practice and reinforce Lyon's presence on the European scene, holding the Presidency of the association Eurocities between 2006 and 2008. There has therefore been a strong push to promote Lyon on the European and international stage.

Currently, *Métropole de Lyon* participates in several national and European networks. Within Eurocities, of which Lyon is a founding member, it participates in the statutory bodies and in certain thematic working groups: smart city, transport, social policies, metropolitan areas, and also in the Mobility forum and the Social affairs forum. Through this way, Lyon lobbies on the European urban agenda. It also takes part in various thematic working groups of the AFCCRE (French Association of the Council of European Municipalities and Regions - *Association Française du Conseil des Communes et Régions d'Europe*) and the city of Lyon is currently a member of the bureau of AFCCRE. Currently, *Métropole de Lyon* is positioning itself within the informal network European Metropolitan Areas, with the hosting and organization of the annual event in Lyon in June 2019, "for inclusive European Metropolises facing social challenges together".

It may also be noted that *Métropole de Lyon* has been involved as stakeholder in a recent ESPON targeted analysis: SPIMA – Spatial Dynamics and Strategic Planning in Metropolitan Areas (2016-2017). It is also active in URBACT networks, including Sustainable Food in Urban Communities (2012-2015), and URBInclusion - Combating Poverty in Deprived Urban Areas (2016-2019).

Challenges and critical elements

- *Métropole de Lyon* is member of major city networks and develops its international leadership.

RECOMMENDATIONS

Recommendations for the stakeholder (metropolitan level)

- To continue to implement an original approach to urban governance that breaks with Jacobinism on two key points: (i) synergies are developed between various policy fields that matter for metropolitan development, including social policies; (ii) the representatives of the *Métropole de Lyon* are elected by direct universal suffrage, which gives them a strong political legitimacy and is unique in France.
- To use the EUCP to scale up metropolitan governance to the functional metropolitan region. The *pôle métropolitain* could get involved in EU programmes. Besides, if it could devote more human resources to the EUCP, the *métropole* could help smaller groupings of municipalities to manage EU funding (training, networking...). On the occasion of EUCP funds, new mechanisms and instruments of regional governance could be set up between *Métropole de Lyon* and the other groupings of municipalities in the metropolitan region.
- To facilitate a direct and permanent engagement of citizens' organisations, NGOs, science and business representatives in the most important metropolitan governance decision-making processes. This should also help to provide EUCP projects with both democratic legitimacy and the efficiency.
- To use strategic spatial planning (Inter SCOT) as a first step for long-term strategic metropolitan planning, helping to identify new possibilities for interterritorial cooperation which could possibly benefit from EU funds.

Recommendations for other relevant levels in the country (national/regional)

- The national level could give an experimental role of Managing Authority to *Métropole de Lyon*, for the 2021-2027 programming period, as this was done for the *Région Alsace* in 2003 before decentralizing the ERDF to regions in 2014.
- To acknowledge the experience of *Métropole de Lyon* (knowledge, competences, links to the civil society and the business community) and to encourage horizontal inter-territorial cooperation, based on such resources of *Métropole de Lyon*.

Recommendations for the EU level

- To link EU challenges (climate change, COVID-19 crisis, etc.) to metropolitan-based action in the 2021-2027 programming period of the EUCP. The RRF specifically justifies to target metropolitan areas due to the population densities and the concentration of functions they provide. New tools could be imagined, or using them differently (like an obligation to mix various EU funds in the ITI).
- To address the issue of metropolitan governance in the 2021-2027 programming period of the EUCP. The capacity to implement integrated planning tools is sensitive to specific context, so the EUCP should provide a framework that allows tasks and long-term actions to be tailored to the needs of particular metropolitan areas.

4 Cohesion policy governance

This section seeks to answer the following key question: in the context of France and specifically in the case of Lyon, what role does the metropolitan level of government play in the development, management and delivery of EU cohesion policy?

According to the Partnership Agreement approved by the European Commission in August 2014, France receives more than €27.8 billion for the 2014-2020 programming period. Although it contributes more to the financing of the European cohesion policy than it benefits from it, France receives €15.5 billion under the European economic, social and territorial cohesion policy, €11.4 billion under the European rural development policy (EAFRD) and €588 million under the common fisheries and integrated maritime policy (FEAMP).

The cohesion policy is implemented in France through 83 European National (NOP) and Regional (ROP) Operational Programs:

- 6 National Operational Programs (NOPs): the NOPs are managed at the national level and cover the entire territory. Each of them has a thematic scope of particular relevance for the country. They are related to specific competencies of the national level, not shared with the regions. The themes identified by the NOPs for the 2014-2020 programming period are: youth employment, employment, social inclusion, rural development, fisheries and technical assistance.
- 31 Regional Operational Programs (ROPs): 27 of them are managed by a regional government and concern the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Most of them are multifund (ERDF-ESF) excepted in Alsace which manages separately a ESF ROP and a ERDF ROP. 4 other ROPs are managed by state branches in outermost regions.
- 7 interregional ERDF OPs targeting mountainous areas and river basins.
- 27 Rural Development Programs (RDPs): each of the 27 French regions manages a RDP concerning EAFRD.
- 9 cross-border cooperation programmes (ERDF)

To reinforce the institutional governance and administrative capacity for managing the cohesion policy funds, the programming, coordination, the National Agency for Territorial Cohesion (ANCT) acts as the coordinating authority for structural and investment funds in France.

The preparation of the 2014-2020 Partnership Agreement was coordinated by the *Délégation interministérielle à l'Aménagement du Territoire et l'Attractivité Régionale* (DATAR). A number of ministries participated in this work, in particular those that managed European funds over the 2007-2013 period, the General Secretariat for European Affairs and the regional councils through the Association of French Regions. The partnership within the meaning of Article 5 of Regulation (EU) No 1303/2013 was largely involved in the preparation of the Partnership Agreement. Indeed, the French authorities chose to open the national consultation to the general public. Two smaller bodies were formed, based on 4 colleges (the State, local authorities, social partners, and finally economic actors and civil society):

- The "national partnership" brought together more than 350 national organisations responsible for representing the various regional networks;
- A more focused forum for debate was also created: the National Forum for the Preparation of the Partnership Agreement (INPAP). The INPAP brought together 70 "network head" organisations, representative of the national partnership, which were consulted on successive versions of the Partnership Agreement.

The consultation of the national partnership was organised in three phases between December 2012 and July 2013. The first INPAP meeting marked the launch of the first phase. At this meeting, the members of the national partnership were invited to contribute in writing on the basis of a consultation document. 96 written contributions were received. On the basis of the contributions received, 17 "thematic", "territorial" and "tools" seminars were held in spring 2013. They brought together more than 600 participants. These meetings demonstrated the very strong mobilisation of sub-regional partners in favour of territorial approaches.

From April to June 2013, the general public had the opportunity to express its views in the context of an Internet consultation. Some fifty contributions from citizens, associations, local authorities, etc. were sent in on this occasion

Finally, the national consultation ended in July 2013 with the feedback seminar to which all the members of the national partnership were invited, in the presence of the European Commissioner for Regional Policy and ministers.

4.1 EU cohesion policy institutional architecture and competences

In France, the management of European funds underwent major changes for the 2014-2020 programming period. Recognizing that regions play a key role in regional planning and economic development, the State has partly transferred management of European funds to them. In addition to a responsibility equivalent to that of the Regional Councils for the part of the EU funds that it continues to manage, the State retains a political responsibility which relates to the coherence and the good implementation of the funds on the national territory.

The authority to manage European funds was transferred to the regions in 2014 by the law on the modernisation of territorial public action and the affirmation of metropolitan government, known as the MAPTAM law. In this transfer, no mention is made of the *métropoles*, which are nevertheless the main object of this law. This transfer is an important change in the French governance of the EU cohesion policy, because the managing authority is the central link in the programming of the funds. It is responsible for defining the strategy for the use of funds, the financial steering of the programme, the selection of projects and the coordination of the regional partnership, the evaluation and communication of the programme, as well as, if necessary, the supervision of its intermediary bodies. It bears full financial, legal and political responsibility for its programmes.

However, decentralisation in France is only partial and the autonomy of the regions to define their strategy for the use of EU funds is limited. The regions are managing authorities for almost all of the ERDF. However, they must comply with European regulations, which define eligibility criteria or obligations for earmarking funds for certain themes, and include their actions in the national guidelines defined in the Partnership Agreement. As we shall see later, this concerns in particular the urban axis ("*volet urbain*"). For the ESF, 35% of the envelope is devolved to the regions, in particular for interventions relating to vocational training, apprenticeship and guidance. At the same time, a national operational programme has been established for 65% of the ESF, half of which are allocated to the field of employment and half to the field of inclusion, with management delegated to the *départements* or to certain voluntary groupings of municipalities for the local programmes for economic integration (*plan local d'intégration par l'économie* - PLIE).

This shared management between the region and the state has made indispensable the dialogue between the managing authorities at regional level, between each regional council and the regional directorate of the Ministry of Labour, which is responsible for implementing the territorialised part of the national ESF programme. This new architecture also presupposes the institutional and political capacity of the regions. However, based on a Senate report on how European funds have been spent (Sénat, 2019), two critical points can be highlighted concerning the governance of European funds that has been put in place in France for the 2014-2020 period.

Firstly, the status of managing authority, although requested by the regions for many years, was introduced without much anticipation of its consequences. The management of European funds requires a rapid increase in the competence of the regional councils' services, essentially through the recruitment and training of agents capable of developing strong expertise for the preparation of dossiers. The Senate report considers that the transfer of this competence from the State to the regions has "complicated the already difficult mobilisation of European funds by local actors. Long before the transfer, the latter were already facing recurrent difficulties, such as deficient information systems, an administrative burden likely to discourage project leaders, and excessively long payment times" (Sénat, 2019: 107). The interviews conducted in Lyon fully confirm this point.

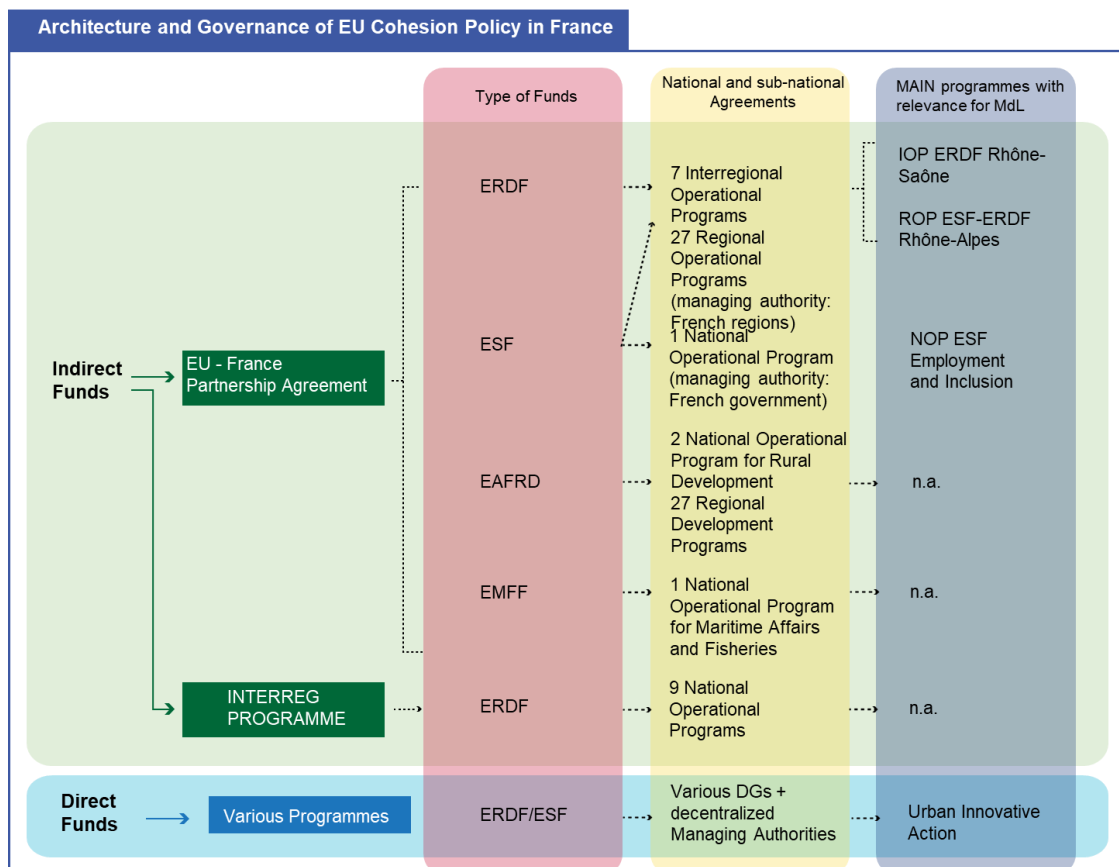
The designation of regions as managing authorities for the ERDF and part of the ESF has meant that regional council staff have had to absorb and master all the European regulations relating to such funds. "For the 2014-2020 period, it is estimated that a management service must know and master more than 4,300 pages of rules before being able to grant funding, which explains the material difficulty faced by the regions

in increasing their skills within such a tight timeframe” (Sénat, 2019: 112). As expressed by some of the actors who were interviewed in Lyon, an additional difficulty lay in the fact that the 2014-2020 programming period has been marked in France by increased requirements in terms of control and management compared to the previous programming period. The State and the Auvergne-Rhône-Alpes region wanted to secure the funds, but the rules posed problems for some beneficiary organisations, particularly for the ESF part.

Secondly, the Senate report raises the possibility that the merger of regions (achieved in 2015 after a very quick decision by the French government, which was totally disconnected from the decision to decentralise the funds) has made it more difficult for regional councils to learn their new status as managing authorities. This status had been decided in January 2014 by the MAPTAM law, at a time when no enlargement of the regional perimeters was at the agenda of the national government³. However, this argument should be put into perspective. During his hearing by the authors of the Senate report, the director of territorial strategies at the *Commissariat Général pour l'Égalité des Territoires* (CGET) specified that “programming rates are not correlated with the issue of regional mergers: those regions that are most successful are not necessarily those that have been spared by the merger” (Sénat, 2019: 115). For this State representative, “the programming scores are the best, and the use of European funds is the most coherent, in regions that have experienced a certain political stability and for which the European issue, far from being considered as a subject alien to regional development policy, has been mobilised by the executive as one of the major levers for the development of this regional policy”. For its part, on the subject of cooperation between the *départements* and the regions, notably for the implementation of the ESF, the *Association des départements de France* (ADF) specifies that the differences between regions, in the consumption of European funds, “are not linked to the merger of regions, but to the quality of the relations between the *département* executives and the regional executives” (Sénat, 2019: 115). The Hauts-de-France region is used as an example because, in this region, “the mutual understanding between the regional executive and the departmental executives is excellent, and the region easily associates the departments in the use of all European funds” (Sénat, 2019: 115). Programming rates are high in this region, particularly for the ESF (97% and 119% in 2019, respectively, for the Nord and Pas-de-Calais departments).

³ In June 2014, the President of the Republic François Hollande proposed a new division of the regions. The law reducing the number of regions from 22 to 13 was adopted in January 2015 and came into force in January 2016.

Figure 4.1
The governance of the EU Cohesion policy in France



Source: author's elaboration

4.1.1 The role of metropolitan actors

Despite its high level of institutionalization, the *Métropole de Lyon* presently does not have relevant role and competences in the elaboration of key policy and programming documents of the EU cohesion policy, while the Auvergne-Rhône-Alpes region and the national level are the main actors. The role of *Métropole de Lyon* is limited to the management and implementation of EU funds and priorities. On the one hand, it implements the ESF NOP 'Employment and integration' as intermediary body for its territory. Under the supervision of the Regional Directorate for Work and Employment (DIRECCTE), a regional branch of the state which is delegated managing authority in the region, *Métropole de Lyon* manages, programs and distributes ESF funds to organisations working in the field of social and professional integration. On the other hand, within the ERDF ROP which is managed by the Auvergne-Rhône-Alpes regional government, it implements an Integrated Territorial Investment. Also, under the Interregional OP ERDF Rhône-Saône, *Métropole de Lyon* is beneficiary for a few projects.

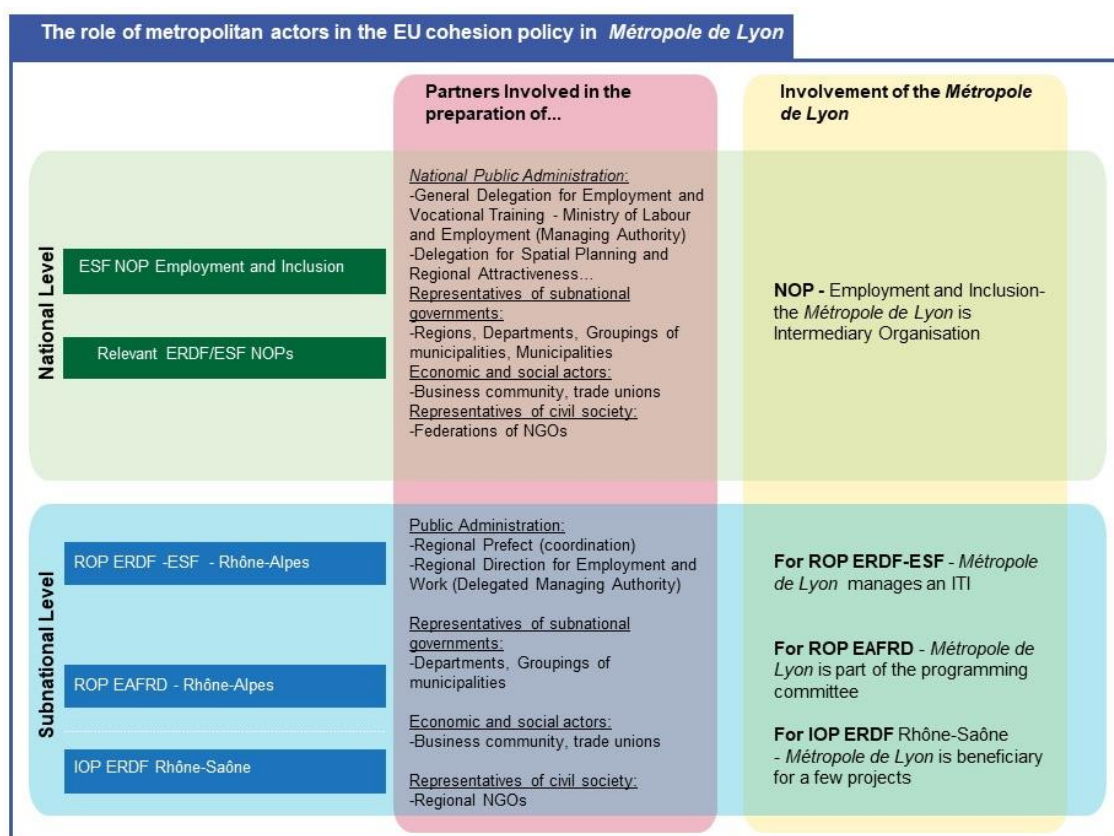
In the case of France, some observers consider that the region is a decision-making level that is far removed from the territories, and that the lack of proximity has been increased by the enlargement of certain regional boundaries in 2015 (Torre and Bourdin, 2015). For example, France's largest region, Nouvelle-Aquitaine, is the result of a merger of three regions and its size (84 040 km²) is comparable to that of Austria. The area of Auvergne-Rhône-Alpes itself (69 710 km²) makes it comparable to Ireland. Regarding the EU cohesion policy, it is important to recognise that, while the regional government or the regional branch of the national government perform important functions such as examining applications, the intermediary bodies are valuable relays in the territories for the implementation of European funds (Geppert and Affaticati, 2020). In the case of the Auvergne-Rhône-Alpes ROP, the region, as managing authority, selects the projects that benefit

from European funding, but the *Métropole de Lyon* is a "facilitator" for the project leaders. It assists them in putting together the application for presentation to the selection committee, then to the monitoring committee, and finally to the regional council. As part of the application process, the *Métropole de Lyon* carries out iterative exchanges with the managing authority in order to detect errors or anomalies in the application as early as possible, and thus avoid delays for the project leader.

Thus, the *départements* or groupings of municipalities provide support to project leaders and participate in a "management dialogue" with the region in order to secure the constitution of files. The intermediate organisation can also identify potential project leaders who are not yet known to the regional council and who would not spontaneously turn to European co-financing. For example, the *Métropole de Lyon* communicated the availability of ESF funds and turned to potential project leaders, such as local associations, ensuring that they were financially sound enough to be able to advance expenses that would be reimbursed later.

Figure 4.2

The role of metropolitan actors in the EU cohesion policy



Source: author's elaboration

The sub-regional implementation of operational programmes defined by the region is not without its difficulties (Sénat, 2019). The *Assemblée des départements de France* (ADF) regrets that "most departments are not consulted or are at best part of the monitoring committees. But they are not involved in the elaboration of the operational programme, which nevertheless determines the course of action for the following years" (Sénat, 2019: 125). The same is true for the voluntary groupings of municipalities, including the *métropoles*. Thus, during his hearing at the Senate, David Le Bras, from the Association of Directors of French Groupings of Municipalities (ADGCF), regretted that "the region controls through standards, through the definition of

criteria. The calls for projects are one-way. The groupings of municipalities do not contribute to the co-construction of eligibility rules” (Sénat, 2019: 125). Consequently, the calls for projects can be disconnected from the needs and potential of the territories⁴.

In brief, the case of Lyon illustrates the difficulty of finding a balance between support for projects of regional scope and recognition of the specificities of certain territories. A key challenge of the governance of the European cohesion policy lies in the capacity of the national and regional levels to allow sub-regional territories to be fully involved in the European Union cohesion policy.

Challenges and critical elements

- The creation of the *Métropole de Lyon* and 21 other *métropoles* in France shows an ambition by the national government to create a strongly institutionalized metropolitan administrative tier that should play a role in a European perspective. However, the *Métropole de Lyon* was provided with virtually no access to the elaboration of the national operational programme 2014-20 of the EUCP.
 - The decentralization of the EUCP funds to French regions has been difficult due to the lack of skilled resources, the administrative burden and excessively long payment times. All this has complicated the mobilisation of European funds by local actors in Lyon.
-

4.2 EU cohesion policy instruments at the metropolitan level

4.2.1 The selection of instruments used to implement cohesion policy in France

The European Union's urban policy respects subsidiarity by granting a large degree of autonomy to the lower levels of decision-making, as close to the ground as possible. “Its implementation takes place in a permanent interaction and negotiation between institutional levels. Each institutional level is not only an executor but also, to some extent, a co-producer of this policy” (Geppert and Affaticati, 2020: 1). This is particularly true for managing authorities, which are responsible for operational programmes.

During the 2007-2013 programming period, the idea that an urban policy was useful gained ground, supported at European level by many actors, including Eurocities and the Greater Lyon. For the 2014-2020 programming period, the urban axis (“*volet urbain*”) is maintained and the Community regulations preserve the level of funding that was allocated to the urban dimension for the 2007-2013 period, i.e. at least 5% of ERDF funds. It is up to each Member State to define the details of its action. In its Partnership Agreement, approved on 8 August 2014 by the European Commission, France allocates 10% of the ERDF-ESF funds to sustainable urban development, i.e. double the expected amount. The territorial framework of urban development corresponds to the geography of deprivation that informs the national urban policy.

At the time, this geography of deprivation was being redefined on the basis of new indicators. By emphasising 'territorial cohesion' and even 'territorial equality', the national government of the Hollande mandate (2012-2017) seeks to assert its action in disadvantaged neighbourhoods, which were stigmatised during the presidency of Nicolas Sarkozy (2007-2012) (Demazière and Sykes, 2021). The government has chosen to align the duration of future city contracts (which bind the state and local authorities) with the programming of European funds 2014-20. In February 2013, François Lamy, Minister Delegate for Urban Affairs, and Alain

⁴ During his hearing, Mr Le Bras relayed the disappointment of certain groupings of municipalities: “They knew that the region was providing funds based on certain criteria, [support for] the wood industry for example. However, they were not interested, so they did not apply. On the other hand, they had needs on other themes for which there were no calls for applications” (Sénat, 2019: 125).

Rousset, President of the Association of French Regions (ARF), signed a framework agreement aimed at mobilising 10% of the national ERDF and ESF funds for future priority urban districts. The signing of this agreement comes just a few days before the Interministerial Committee on Cities (which will define the future priority neighbourhoods of the urban policy and their contractualisation method) and two months before the presentation to the Council of Ministers of the MAPTAM law which was to make the regions the managing authorities of the European structural funds.

The national government notes that, in the 2007-2013 programming period, only 2% of the ESF (i.e. 90 million euros) benefited urban neighbourhoods. For the ERDF "regional competitiveness and employment", only 7% (535 million euros) targeted urban policy neighbourhoods through the 65 integrated urban projects (PUI). Furthermore, out of the 26 regions, only 14 were involved in urban renewal agreements and 9 were involved in the CUCS (urban social cohesion contracts). The agreement states that "the Association of French Regions commits each of the regional presidents to taking part in the 2014-2020 city contracts". This will be to varying degrees, as article 3 specifies, because although "the urban policy component of the regional operational programmes will represent at least 10% of the overall budget of the regional OPs", it is clearly specified that "the overall objective of 10% will be modulated according to the importance of the urban fact and the socio-urban disparities observed in each region". Thus, the 10% rate does not strictly speaking apply to all regions. In any case, they will all be managing authorities for the European structural funds dedicated to the priority neighbourhoods of the urban policy and their regional OPs will have to include a multi-fund urban axis (ERDF-ESF) or an integrated territorial investment (ITI), under the "urban policy strand for integrated urban development". According to the agreement between the regions and the government, European credits will be "prioritised" in the direction of the EPCIs hosting the priority neighbourhoods and "global subsidies may be delegated to EPCIs that request them", the agreement states. They will be included in the financial commitments of future city contracts, in the same way as those specific to city policy and those of the general law. The regions can intervene in addition to European and State credits, in interventions towards priority neighbourhoods that correspond to their fields of intervention: economic development, transport, youth training, etc.

Three remarks can be made. Firstly, the funding goes to the neighbourhoods of the new national urban renewal programme 2014-2024 (NPNRU), but it is agreed that the actions can be deployed according to different scales of intervention, with wider perimeters of action. On the other hand, urban action represents 10% of the budget at national level, but the effort varies considerably from one region to another, ranging from 4% of the ROP for the Centre-Val de Loire region to 21% of the ROP for Île-de-France. In Rhône-Alpes the proportion is 11%, thus corresponding more or less to the national figure. Thirdly, French regional governments have adopted different modalities for the management of their urban strand. Of the 27 French regions in 2014, 11 have dedicated an axis of their ROP to integrated urban development. This allows for a classical management of urban funds, following the same rules as the whole ROP. The ROP defines the nature of the actions that can be financed under the urban axis, but, in return, there is no need to pre-select the eligible territories. On the other hand, 16 regions, including Rhône-Alpes, use the ITI mechanism. This makes it possible to finance urban action by drawing transversally on all the ROP axes, but the list of beneficiaries is limited: the managing authority chooses its ITIs at the beginning of the period. Each ITI develops an integrated territorial strategy, which seems to favour a spatialised action.

4.2.2 The role of the Lyon metropolitan level in the regional and national operational programmes

Table 4.1
EU cohesion policy programmes and instruments in the Lyon metropolitan area

Instrument	Level (geographical scope)	Type	Program-ming	Manage-ment	Implementa-tion	Role of metro-politan actors
ITI	<i>Métropole de Lyon</i>	ERDF ROP	Auvergne-Rhône-Alpes Region	Auvergne-Rhône-Alpes Region	<i>Métropole de Lyon</i>	Promoter, project proposal and implementation

Instrument	Level (geographical scope)	Type	Program-ming	Manage-ment	Implementa-tion	Role of metro-politan actors
ESF	<i>Métropole de Lyon</i>	ESF NOP	Regional branch of the Ministry for Employment	Regional branch of the Ministry for Employment	<i>Métropole de Lyon</i>	Intermediary body. Promoter, project proposal and implementation

Source: author's elaboration

The Rhône-Alpes ERDF-ESF Operational Programme represents 509 million euros (364.1 million euros from the ERDF and 145.3 million euros from the ESF). In addition, there is the Rhône-Alpes regional section of the ESF National Operational Programme, with a total of 176 million euros. There is also a Rhône-Alpes EARDF rural development programme which represents 1.1 billion euros.

In the 2014-2020 period, it can be considered that cities and groupings of municipalities have a reinforced role in the implementation of the EU cohesion policy (Cotella, 2020; Geppert and Affaticati, 2020). They can be delegated part of the management activity of the structural funds. They are responsible, at least, for the selection of operations financed under integrated urban development. In Île-de-France, a commission, called the selection and monitoring committee (CSS) and chaired by a local elected official, validates the appropriateness of projects before they are examined by the regional services. The composition of the CSS varies from one ITI to another, but it always includes local elected officials, their technical services and local partners (*Pôle emploi*, ADEME, CAF, hospital, etc.). In Lyon, the projects are technically examined by the *Métropole's* services, then selected by the vice-president in charge of urban policy and the vice-presidents whose delegations cover the chosen themes.

According to Geppert and Affaticati (2020: 11), in France, “the voluntary groupings of municipalities are involved at all stages, from the elaboration of integrated territorial development strategies to the selection of operations to be funded. Ultimately, regions choose their priorities and designate the ITIs, but it is the local actors who really shape the projects”. For Lyon, the preparation of the 2014-2020 programming resulted in a consultation made by the Region (then region Rhône-Alpes). To feed the future operational programme, the *communauté urbaine* Grand Lyon submitted a contribution defining its priorities, corresponding to its strategic priorities at the time. We were then in a transition to the *métropole* absorbing the social competences of the *département*. It seems that the region decided unilaterally as to the envelopes provided to the various concerned territories of Rhône-Alpes. In addition, there was no mid-term review. Even if some territories do not use totally the funds, funding to those who implement projects (including *Métropole de Lyon*) has not been increased.

Regarding the ERDF credits (€ 364 million euros), the Rhône-Alpes region was bound by the agreement between the Ministry for Urban Affairs and the Association of Regions, providing that 10% should be devoted to priority districts of urban policy (*‘politique de la ville’*). The Rhône-Alpes Region has thus decided to target € 39 million in favour of priority districts. At the end of 2014, it launched a call for applications to which the *Métropole de Lyon* responded. *Métropole de Lyon* was selected to benefit from support of € 8 million in ERDF credits through an ITI. These credits are dedicated to supporting projects in neighbourhoods in difficulty on the following themes: (i) ICT development (€ 1.5 million); (ii) competitiveness of SMEs by building ‘entrepreneurial poles’ (€ 1.4 million); (iii) energy transition through the renovation of social housing (€ 5.1 million). These ERDF credits benefit *Métropole de Lyon* for its own projects as well as the operators of the territory, especially social landlords. In the implementation, three different departments of *Métropole de Lyon* are involved (housing and solidarity, digital, economic development) while the ITI as a whole is supervised by the department of urban policy.

It should be noted that, by the effect of various laws of territorial reforms (see section 3), the Rhône-Alpes region had to merge with the Auvergne region in 2015. In addition, the regional elections of 2015 brought a new majority at the head of the region Auvergne-Rhône-Alpes. These two changes, institutional and political, were able to modify the regional priorities compared to the previous mandate.

According to the evaluation of the ERDF program, the integrated character was very present in Rhône-Alpes over the 2007-2013 period in the Integrated Urban Projects, but much weaker in the 2014-2020 period (ADIT

- ADT Consult - Européenne - IGT.ITG, 2020). The integrated approach was carried out by the intermediary bodies (namely the selected groupings of municipalities) each in their own territory, but no longer thanks to European funds. Among the reasons identified, the devolution of fund management to the Region has narrowed the themes of EU funds to only subjects falling within regional competence. Furthermore, there was no collective approach unlike in the previous period when the groupings agreed on the distribution of funds and relied on each other for the implementation. And there were no collective meetings led by the Region Auvergne-Rhône-Alpes on ITIs.

For the ESF managed by the state within the NOP, *Métropole de Lyon* is intermediary organisation. It received a global grant of 27 million € for 2017-2021. The main intervention framework of *Métropole de Lyon* was the Metropolitan Integration Program for Employment (PMI'e). With the PMI'e, voted in December 2015, the *Métropole de Lyon* is committed to bringing together integration (former competence of the department) and economic development (historical competence of the urban community), by creating synergies in favor of employment. Within the PMI'e, the ESF funds have made it possible to launch each year a call for projects supporting the initiatives of actors of integration and employment, in particular: organisations for integration through economic activity, structures offering solutions for lifting of social or professional obstacles to employment, employers, their networks, social partners and professional branches, public or private establishments.

Under the will of *Métropole de Lyon's* elected officials, the PMI'e facilitation team financed by the ESF was integrated into the economic development department. According to the evaluation of the national operational programme that was made in December 2019, two notable effects have occurred. Internally, the coordination of the PMI'e has helped to strengthen the mobilization of *Métropole de Lyon* services in favor of integration and return to employment. For example, the development of social clauses is now an objective shared by all departments. Externally, the PMI'e facilitation operation has made it possible to develop privileged partnership links with companies, associations and integration actors. For example, *Métropole de Lyon* has initiated several initiatives in the direction of job-creating sectors (logistics, industry, digital, cleaning, personal services, etc.).

In brief, the ESF has made it possible to help structure and professionalize the animation of the PMI'e within *Métropole de Lyon* services as well as at the level of partners and companies. This approach has been favored by the special status of *Métropole de Lyon*, which gives it competence in both integration on the labour market and economic development. In contrast, ERDF had less impact due to the less important amount involved but also due to a lack of alignment of the strategies of the actors involved (*Métropole de Lyon*, Regional Council).

Challenges and critical elements

- Urban action represents 10% of the ERDF in France, and 11% in Rhône-Alpes. The *Métropole de Lyon* has been selected by the regional government to develop an ITI over the 2015-2020 period. However, the small amount committed (8 million euros) raises doubts about the integrated character of the strategy.
 - Regarding the ESF, *Métropole de Lyon* is intermediary body and uses a global grant of 25.5 million € to create synergies between social integration (which was managed the *département du Rhône* before 2015) and economic development (a core competence of the *communauté urbaine*). The main tool used is a call for projects supporting the initiatives of various social, economic and public organisations.
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4.3 Involvement of business operators and/or civil society in the development and implementation of the EUCP

Métropole de Lyon has redistributed a very large part of the subsidies received under the cohesion policy. For the ESF this amounts to 90% of the grant received. As a result, a variety of businesses and NGOs have been actively involved in the EUCP at the implementation level. A number of NGOs specialized in vocational

training, in economic insertion, in digital activities or in urban agriculture have benefitted from ERDF or ESF for their actions. They developed actions that benefitted high school pupils and their families (digital cultural classes, festival Super Tomorrow...), or people in insertion and looking for a reintegration in the labour market (through actions that were cofunded by the ESF). The latter public is helped in a close cooperation with *Métropole de Lyon* within the PMle, and thus in relation with firms that may hire such people. Thanks to the financial support of the ESF, *Métropole de Lyon* has created positions for company-employment liaison officers (CLEE), who have helped strengthen the links between companies and integration structures.

In terms of supporting people into employment, the fifty or so organizations that benefited from the ESF already had experience or were financially and managerially sound. According to an official of the *Métropole de Lyon*, « The Lyon landscape is stable. For newcomers, we prefer common law credits because the ESF is complicated (deadlines, supporting documents, etc.) ». Another reason given for the lack of newcomers among the project leaders is that the integration actions financed are long-lasting and require a lot of experience in support. An integration program can last two years. Moreover, according to an official of the *Métropole de Lyon*, “the innovation part, although wanted by the ESF, is limited, even non-existent” because it is not possible to constantly renew the support actions for people far from employment.

In spite of the constraints linked to the financial reporting and to controls, the access to the EUCP funds is felt as very positive by the concerned businesses or NGOs. Some organisations are actively looking for a more robust business model in order to be able to get once again the benefit of EUCP funds.

There does not seem to be any mechanism/role/regulation at the regional level or at the national level to involve business and civil society actors in the process of EUCP programming. *Métropole de Lyon* involves them in management and implementation through animation and group meetings.

Challenges and critical elements

- In Lyon, the type of engagement of business operators and/or civil society that prevail is the participation in projects prepared and initiated by the *Métropole*. This raises the question of the involvement of the business community and civil society in the consultation or monitoring phases of the EUCP.
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4.4 The governance of EU cohesion policy in the COVID-19 emergency

This section explores to what extent the *Métropole de Lyon* and other actors in the metropolitan area have access to EUCP resources in order to react to the COVID-19 pandemic. Firstly, the analysis focuses on how the *Métropole* has been involved, together with the *Région Auvergne-Rhône-Alpes*, in the national programming of the EU recovery plan, Next Generation EU and in particular the Recovery and Resilience Facility. Second, we highlight how, in the end of the 2014-2020 programming period, the *Métropole* has managed to use EUCP resources towards a reaction to the pandemic.

In response to the effects of the European health and economic crisis, the Member States and the European Commission have decided to implement a European recovery plan, called "Next Generation EU", amounting to €750 billion over the period 2020-2023. The two main schemes are:

- REACT-EU, which supplements the Cohesion Funds 2014-2020, up to €47.5 billion, for an immediate response to the economic and social crisis;
- Recovery and Resilience Facility (RRF), which offers support to Member States, through grants and loans, for a total amount of € 672 billion.

In order to benefit from the support of the RRF, each Member State must send its National Recovery and Resilience Plan (NRRP) to the European Commission at the beginning of 2021. After examination and approval by the Commission and the Council of the European Union, pre-financing may be granted in the first half of 2021. In the case of France, the measures of the NRRP must respond to the recommendations made by the EU to the national government on the reforms and investments deemed necessary. The European

Commission also requests that 37% of the NRRP budget be allocated to the ecological transition and 20% to the digital transition.

On 23 June 2021, the European Commission has approved France's recovery and resilience plan. On the same day it has adopted a proposal for a Council Implementing Decision to provide €39.4 billion in grants to France under the RRF. The Council's approval of the plan would allow for the disbursement of €5.1 billion to France in pre-financing. This represents 13% of the total allocated amount for France.

All the investments presented in France's NRRP are part of the national *France Relance* plan which was presented by the Prime Minister on 3 September 2020, adopted by Parliament under the 2021 Budget bill, and currently being deployed in France. The European recovery plan will thus provide 40% of the funding for the French recovery plan.

In its report on how regional and local authorities have been involved in the elaboration of the NRRPs, the European Committee of the Regions (2021) is quite critical regarding France. The NRRP set up process started in May 2020, with the central role of the Ministry of Economy, Finance and Recovery preparing the France Relance plan. Internal consultations were guided by the Ministry and included social, civil and economic stakeholders, as well as the Association of the Regions of France, and the National Agency for Territorial Cohesion. "Meetings were mostly informative. The Ministry briefed them on the NRRP structure and the potential coordination mechanism to manage the NRRP and Cohesion Policy funds. However, the plan does not illustrate the contributions of local and regional authorities to elaborating the NRRP" (European Committee of the Regions, 2021: 113). Besides, the NRRP does not develop a territorial perspective as future strategies and programmes to support economic and social recovery from the COVID crisis are presented from a national point of view. Finally, the subnational governments "are mentioned as implementing bodies and/or beneficiaries of interventions, as well as playing a role in the monitoring process. It seems they did not play a role in designing the national strategy" (European Committee of the Regions, 2021: 114).

Another critical remark is about the very low visibility of the RRF in the public policies in France. This is due to the fact that such funds will be used, together with national funds, within *France Relance*. This €100 billion national plan has been launched by the French government on 3 September 2020. More than the European measures, it is this national plan that is the most publicized to territorial actors. The national government has announced that some of the measures of *France Relance* will be implemented at the local level, via regional calls for projects or within the framework of a deconcentrated management entrusted to the prefects. A circular signed by the Prime Minister, dated 23 October 2020, has been sent to the prefects.

The plan includes four different types of intervention:

- those developed at national level and not susceptible to territorially differentiated implementation, such as aid intended for certain target groups (aid for thermal renovation for households and SMEs, etc.). The same applies to aid that will be allocated via national calls for projects (support plan for the aeronautics and automobile sectors, etc.);
- those aiming to allocate funding locally via calls for projects devolved to the regional level and often managed by State operators (Public Investment Bank, Agency of the Environment and Energy...);
- specific envelopes under the responsibility of the prefects, which must be used for the most mature and relevant investment projects in the concerned territories. The Prime Minister's circular invites the regional prefects to "pay particular attention to investments in deprived urban neighbourhoods and rural areas (public facilities, sports infrastructure, etc.). Also included in this category are the credits that will be allocated to the regions for operations linked to the recovery plan, primarily in favour of thermal renovation of buildings and everyday mobility, but whose allocation will be discussed between the regional prefects and the presidents of the regional councils";
- credits corresponding to the different lines of *France Relance*, earmarked for a public policy and a well-identified measure of the plan, but whose management will be deconcentrated, because the prefects and deconcentrated services are the most likely to identify, for each measure, the relevant projects on their territory. These credits will be deconcentrated as local projects are carried out, in order to give the government the option of redeployment if necessary to speed up implementation.

Of the €100 billion devoted to *France Relance*, €16 billion should be monitored by regional prefects within the framework of regionalized envelopes, or by departmental prefects. To this we can add credits which are entrusted to regional governments in two areas: thermal renovation of buildings and daily mobility.

Globally, the recovery strategy followed in France uses more deconcentration than decentralisation, and in the latter case regional authorities are the privileged interlocutors of the state. According to the circular from the Prime Minister 'a regional steering and monitoring committee will be set up in each region. It will be co-chaired by the regional prefect, the regional director of public finance and, in all regions where a regional agreement has been signed with the region, the president of the regional council. This committee must include "representatives of local authorities, social partners, socio-professional circles, departmental prefects, and decentralised State services". As member of this committee, the *Métropole de Lyon* is informed and consulted.

In order to create a leverage effect, the State wishes to supplement its own funding by co-financing from local authorities within the framework of "regional recovery agreements". The agreement with the regional councils should be concluded at the same time as the draft State-Regions plan contract (CPER) 2021-2027. In addition to the "common law" credits over 7 years, the CPER will include a section and credits dedicated to the recovery over two years. In Auvergne Rhône-Alpes, the State and the President of the Regional Council signed a regional recovery agreement on January 16, 2021. In total, €2.070 billion will be invested by the State (€1.035 million) and the Regional Council (€1.035 million) for the 2021-2022 period.

At the end of January 2021, the president of the *Métropole de Lyon* has, along with several presidents of *métropoles* in the Auvergne Rhône-Alpes region, alerted the State about the lack of contractualization of the recovery plan with regard to *métropoles*. As a result, he finally signed a recovery agreement with the State in March 2021. The aim is to support projects aimed at ecological transition, competitiveness and cohesion and to accelerate the transformation of the economy by 2030. Thus the agreement has been made on the national priorities of *France Relance*. The agreement provides for €216 million over the two years 2021 and 2022: €125 million from the *Métropole*, and €91 million from the State.

We come now to a second point: how, in the end of the 2014-2020 programming period, has the *Métropole* been able to use EUCP resources towards a reaction to the pandemic? Actually, since March 2020 and the beginning of the first containment in France, the national government has asked all local authorities, including *Métropole de Lyon*, to come up with needs. But this informal consultation has not been followed by action, as the EU funds did not finance any emergency measures in the social field and in the economic field. For instance, *Métropole de Lyon* wanted to finance direct aid to firms with European funds but it received a « no go » from the *Région Auvergne-Rhône-Alpes*.

On the ground, integration structures express the need for psychological support for the public. To respond to this, and in agreement with the State which manages the ESF, the *Métropole de Lyon* launched in March 2021 a call for projects on mental health, using the remaining ESF funds from the 2015-2020 period (310,000 euros). This specific call for projects is to support emergency mental health prevention measures made available to integration structures for the public they serve. Indeed, the integration structures have to face the distress of the most vulnerable people, be it economic, social or psychological. Apart from the health crisis, the people in integration are already confronted with difficulties that hinder their access or return to employment. The situation of the labour market has been the most unfavourable for the entire population for the past year and the most vulnerable people are even more affected. The number of minimum income beneficiaries (RSA) has increased sharply in 2020 and difficulties in accessing employment will be present in the medium and long term. There is therefore much to be done by mobilizing European funds.

Regarding the "REACT-EU" scheme, with an overall budget of 47.5 billion euros, it will supplement the structural funds ERDF, ESF and EAFRD, in order to repair the damage caused by the crisis and participate in the recovery of the territories. Unlike the Coronavirus Response Investment Initiative (CRII), REACT-EU is part of a more medium- and long-term logic leading to a "green, digital and resilient economy" and constituting a transition to the Operational Program 2021-2027.

REACT-EU acts as a grant mechanism through the cohesion policy funds (ERDF, ESF, EAFRD) and the Operational Program 2014-2020. In Auvergne-Rhône-Alpes, REACT-EU credits will complement the ERDF and ESF envelopes for the years 2021 to 2023. The envelope for Auvergne-Rhône-Alpes is estimated at 151.3 million € for 2021. An additional envelop of € 40 million may be allocated in 2022 depending on the socio-economic situation of France.

Following the identification of regional needs and taking into account the guidelines of the Commission, the Managing Authority Auvergne-Rhône-Alpes Region has selected the following priority themes. Under the OS 1: Support for SMEs and digital economy, the Auvergne-Rhône-Alpes Region wishes to devote mainly the REACT-EU envelope to support SMEs (80 M€ out of 151.3 M€). This will include support to cushion the

working capital needs of the most vulnerable companies, particularly in tourist areas. In addition, there would be support for the digital economy (€ 1 million forecast). Under the OS 2: Support for construction and ecological transition (€ 38.6 million ERDF), in accordance with what has been stated in the REACT-EU regulation, 25% of the overall financial envelope will be devoted to climate objectives. In Auvergne-Rhône-Alpes, due to the partial or total stoppage of construction sites, the construction industry experienced a 75% drop in activity in spring 2020. The ERDF REACT-EU credits will help accelerate the economic recovery and will be used to finance the energy rehabilitation of public buildings, social housing, etc. The energy renovation of buildings (public, social housing ...) meets in many points what is desired in the use of REACT-EU funds. It constitutes indeed in a direct revival of the sector of the Building and Public Works, comes to support the sectors of the energy transition and participates in the control of the demand in energy.

The Managing Authority presented the REACT-EU device to the partnership during the ESIF Monitoring Committee of November 19, 2020. On this occasion, the issues of the device were presented. Following this monitoring committee, a dematerialized consultation, based on a survey to the partnership, has identified more than 150 projects related to the fight against the effects of the crisis of COVID-19 and the digital and ecological transition of the territory. A final consultation of the partnership took place within the framework of the monitoring committee, through the organization of a technical meeting on February 25, 2021 and a monitoring committee on March 1, 2021.

Métropole de Lyon shares with the Auvergne Rhône-Alpes Region the objective of supporting SMEs that have been severely impacted by the crisis, but it would like REACT-EU to supplement the measures implemented by the *Métropole* and not only those of the Region.

In addition, *Métropole de Lyon* puts forward its own priorities, which are threefold. The first one is the energy transition, including the thermal renovation of buildings and housing, but also the development of renewable energy, support for the environmental transformation of companies, and green mobility (deployment of bike paths, pedestrian infrastructure etc. ...). Its second priority is the digital transition, covering projects for digital inclusion and mediation, and the development of digital platforms in connection with users. Finally, in terms of employment and training, *Métropole de Lyon* considers that many measures should be able to mobilize emergency funds: digital equipment for people who are very far from employment (to ensure the continuity of support for employment and training), development of training in digital uses, actions in favor of the fight against school dropout, etc.

The ongoing discussion between the *Métropole* and the *Région* shows two positions. On the one hand, the Region wishes to focus most of its action on supporting businesses, showing its interest for economic issues. On the other hand, having developed an integrated approach on its territory, the *Métropole* has identified needs that can be structural (such as the renovation of buildings in view of reducing energy consumption) or that have arisen as a result of the crisis (e.g. digital technology as a tool for social integration). The points of view of both institutions may converge (the renovation of public buildings benefits the building industry as well as the populations and the environment) but they express different aims.

One issue to consider is the articulation of NextGenerationEU, including REACT-EU, with other existing recovery plans in France. At the national level, the recovery plan "France Relance" has been put in place by the State and it will benefit from EU funds under the Recovery and Resilience Facility (RRF). The Managing Authority Auvergne-Rhône-Alpes is aware of the incompatibility between REACT-EU, RRF and all the others structural funds and EU funds.

The Auvergne-Rhône-Alpes Region has also put in place a recovery plan adopted on June 4, 2020. The REACT-EU scheme will thus intervene in synergy with the regional recovery plan, in particular through the co-financing of regional schemes (employee training, aid to SMEs, etc.).

The Managing Authority Auvergne-Rhône-Alpes is therefore faced with three challenges: (i) ensure the complementarity of responses and funds; (ii) ensure the proper coordination of tools; and (iii) ensure the consumption of REACT-EU funds in a short time.

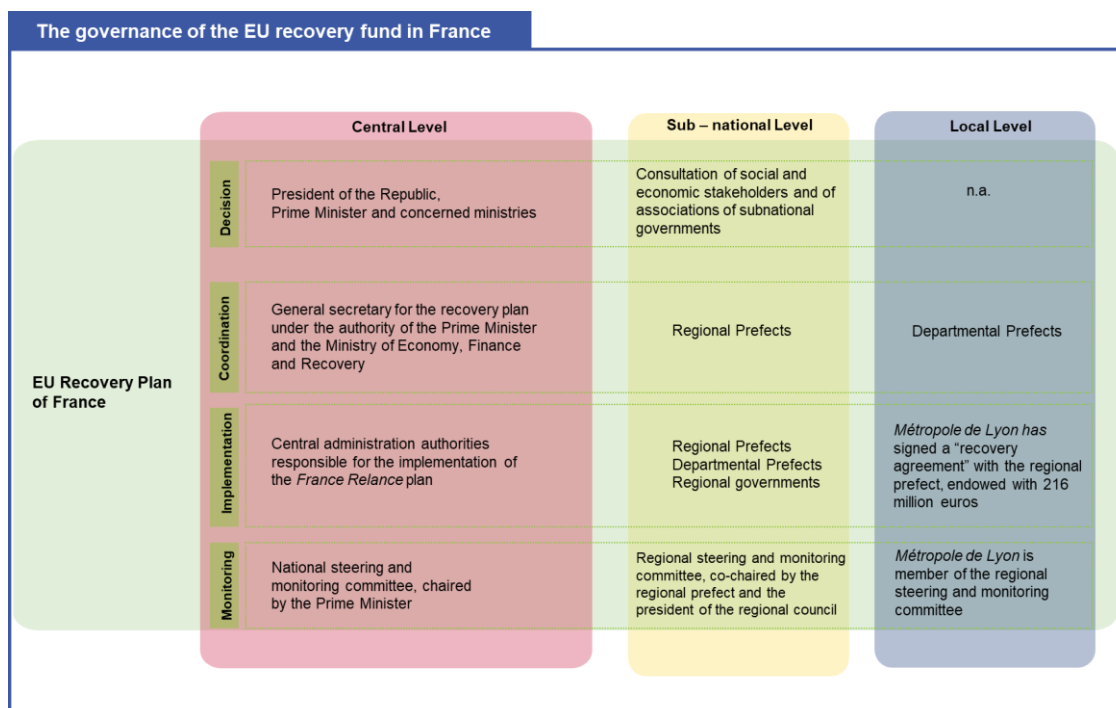
The REACT-EU mechanism will complement the RRF fund. In view of the impossibility of double financing RRF and REACT-EU, this has reinforced the need for the Managing Authority (*Région Auvergne-Rhône-Alpes*) to ensure proper coordination with the RRF funds. In addition, given the time constraints for the consumption of the REACT-EU envelope and the challenges of economic recovery, the Managing Authority Auvergne-Rhône-Alpes has chosen to identify projects with a minimum co-financing amount of €500,000, in order to massify the European intervention under REACT-EU. Other eligible applications will be directed to the OP 2021-27. In December 2020, *Métropole de Lyon* has proposed 23 projects to REACT-EU for a total

amount of €72,080,471 and an ERDF/ESF amount of €36,359,305. These projects were about the thermal renovation of schools and social housing, the development of inclusive digital projects, and the purchase of personal protective equipment. In addition, five projects have been presented by the City of Lyon for a total amount of €17,450,238 and an ERDF amount of €8,725,119. These projects are about a vaccination center and the thermal renovation of schools.

The final applications were supposed to be submitted in April 2021. However, facing a large number of proposals from the voluntary groupings of municipalities (200 projects in total), the Region decided to define more stringent criteria for the selection of projects. Among others, any eligible building renovation should reduce the energy consumption by at least 40%. Besides, the Region excluded social housing from the possible projects. This considerably reduced the list of projects that could be put forward by *Métropole de Lyon*. In April 2021, *Métropole de Lyon* was able to submit only 2 applications (one on the development of digital tools to facilitate remote monitoring of the progress of people on integration programmes, the other for the purchase of personal protective equipment), for a total amount of €10,413,388 and an ERDF/ESF amount of €5,626,110. The *Ville de Lyon* could also submit only two projects, one on the development of telework, the other for the purchase of personal protective equipment, for a total amount of €11,327,553 and an ERDF/ESF amount of €5,663,776.

This means that the fields of action that have been identified by the *Métropole de Lyon* and the *Ville de Lyon* for the revival of the economy and local life are not covered, far from that. The field of health receives support from European funds for the purchase of personal protective equipment. Under the heading of digital transition, support for integration programmes is financed (1 project), but not digital uses (4 projects) or e-administration (1 project). Finally, in the field of energy transition, none of the 8 projects for the renovation of public tertiary buildings is funded, neither the rehabilitation of social housing (8 projects). The other *métropoles* in Auvergne-Rhône Alpes face the same difficulty in meeting the criteria, and there is a risk that the regional envelop of REACT-EU might not be totally used, in spite of proven needs on the ground. Furthermore REACT-EU has not been used for energy transition and thermal renovation as the RRF via France relance is expected to finance them.

Figure 4.3
The governance of the EU recovery fund in France



Source: author's elaboration

Challenges and critical elements

- The European dimension of the public policy measures to react to the COVID-19 economic and social crisis has a low visibility in France since the national government has chosen to include the credits from the RRF in the *France Relance* plan. The development of this plan shows limited consultation of local and regional authorities. It is implemented by the state mainly through deconcentration in the form of calls for projects. Decentralization has been limited to regions and restricted to only two topics: daily mobility and the thermal renovation of buildings. The experience of the *Métropole de Lyon* in the implementation of EUCP funds is not acknowledged by the state as an asset.
- Regarding REACT-EU, the negotiation of the *Métropole de Lyon* with the Auvergne Rhône-Alpes region proved to be difficult. The *métropole* has a limited role in the governance of the EU cohesion policy in the COVID-19 emergency. Its experience (financial resources, knowledge, competences, links to the civil society and the business community) is not acknowledged and it benefits marginally from available funds.

4.5 Coordinating metropolitan governance and EU cohesion policy

The coordination and integration of objectives, priorities and targets of metropolitan governance and cooperation activities that occurs within and outside the EU cohesion policy framework involves a network of various public and private “nodes”. Naturally, many actors intervene in the metropolitan area but only the 10 institutions highlighted in bold in table 4.2 were interviewed by the research team, based on a list developed by the stakeholder. Such institutions include the regional branch of the Ministry of Labour and Employment which is managing authority for a NOP, and the regional authority Auvergne-Rhône-Alpes which manages the ROP. Regarding the *Métropole de Lyon*, six directorates were interviewed, taking into account that this institution is the main actor that addresses metropolitan challenges, including the fact that it is Intermediary Body for the ESF NOP and that it manages an ITI. The interviewed directorates deal with employment and inclusion, housing, urban regeneration, digital uses and EU funding. Several non-profit organizations were also interviewed, together with a directorate of the core municipality.

Table 4.2
Nodes of the metropolitan governance and EU cohesion policy network⁵

Institution's name	Subsection of the institution	Status	Scale	Sector
Ministry of Labour and Employment	DGEFP –General Directorate for Employment and Vocational Training	Public	National	Employment and Inclusion
	DIRECCTE Auvergne-Rhône-Alpes – Regional Directorate for Firms, Competition, Consumption, Labour and Employment	Public	Regional	Employment and Inclusion
Ministry of Economy, Finance and Recovery	CICC- Interministerial Commission for the Coordination of Controls		National	Public Funding
	DRFIP – Regional Directorate of Public Funds		Regional	Public Funding

⁵ In bold, the interviewed institutions.

Institution's name	Subsection of the institution	Status	Scale	Sector
Région Auvergne-Rhône-Alpes	Directorate for European Funds	Public	Regional	European Cohesion Policy
Métropole de Lyon	Delegation for Responsible Development, Directorate Territorial Development and International Relations*	Public	Metropolitan	European Cohesion Policy
	Delegation for Responsible Development, Directorate Employment and Inclusion**	Public	Metropolitan	Employment and Inclusion
	Delegation for Responsible Development, Directorate Digital Innovation and Information Systems**	Public	Metropolitan	Digital
	Delegation for Solidarity, Housing and Education, Directorate Habitat and Housing	Public	Metropolitan	Housing and Integration
	Delegation for Responsible Development, Directorate Innovation and Economic Action	Public	Metropolitan	Economic development
	Delegation for Urban Planning and Mobility, Urban Management Directorate	Public	Metropolitan	Territorial development and spatial planning
MMIE – Metropolitan House for Insertion and Employment		Public	Metropolitan	Employment and Inclusion
Ville de Lyon	Directorate for Youth, Education, Children, Sports and Inclusion	Public	Local	Youth
ALYNEA		Non-profit organisation	Metropolitan	Housing and Inclusion
CIDFF - Information Centre on Women's and Family Rights		Non-profit organisation	Metropolitan	Employment and Inclusion
Fréquences écoles		Non-profit organisation	Metropolitan	Digital, Education
OFELIA		Non-profit organisation	Metropolitan	Employment and Inclusion
Jardins de Lucie		Non-profit organisation	Local	Employment and Inclusion
Innovation & Développement		Non-profit organisation	Local	Employment and Inclusion

Notes:

* 4 interviews were conducted with members of this Directorate.

** 2 interviews were conducted with members of this Directorate.

Source: author's elaboration

The identified actors establish relations with many other actors in the metropolitan area for EUCP and non-EUCP purposes. The interviewees were asked fill in a roster questionnaire, specifying the main actors with which they establish relations and what is its purpose (EUCP or non-EUCP relations).

To ensure the maximum comparability across case-studies, the team decided to apply the following procedures:

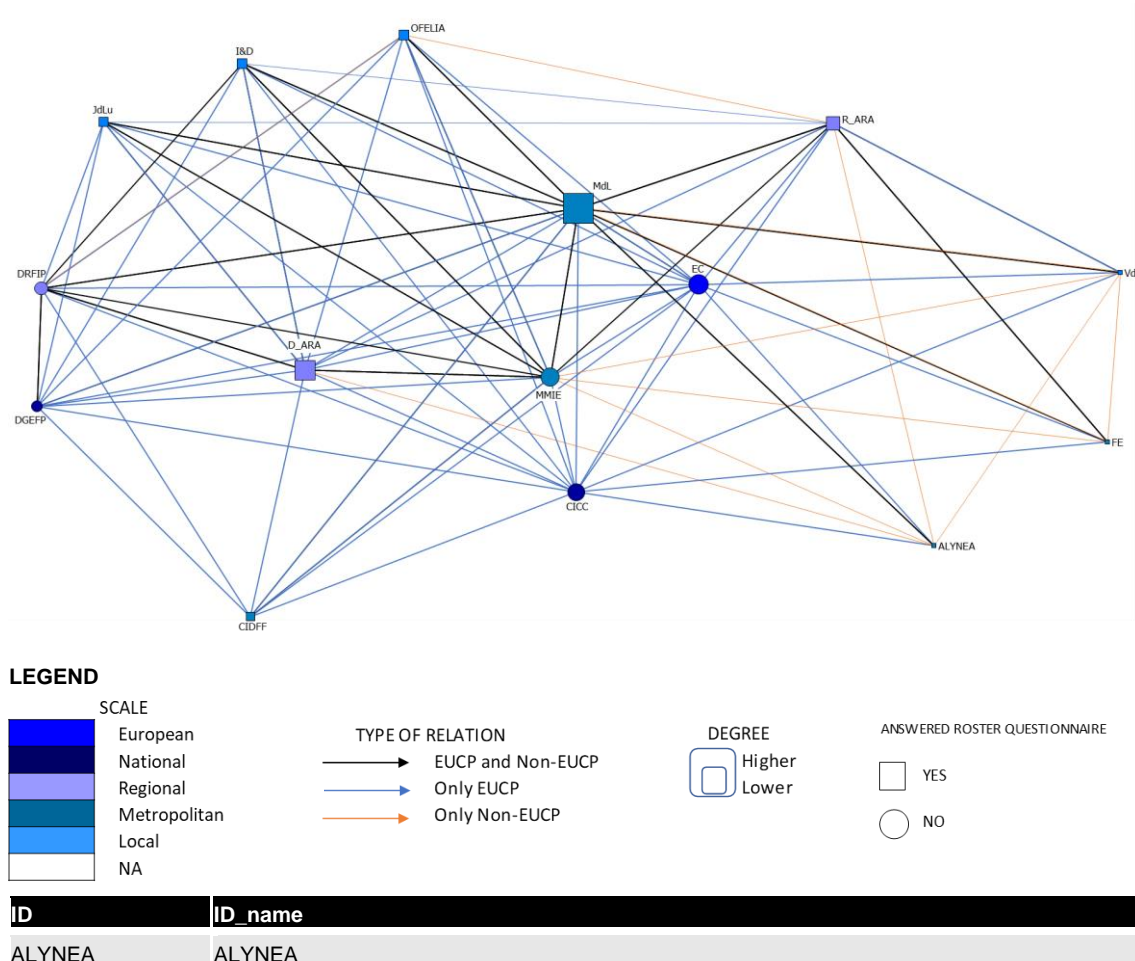
- No consideration of roster questionnaire answers from local authorities, except if they are the city that originated the metropolitan area, as it may unbalance / bias comparative analysis across case studies;
- No consideration of intensity of relations because it is difficult to ensure all organisations have a common criteria / understanding on different levels;
- No analysis of intra-organization relations in each institution.

We use the UCINET software package (Borgatti *et al.*, 2002) to elaborate the matrices of dichotomous relationships between the actors and we use the NetDraw module to draw the networks of relationships. The following steps were applied:

- Dataset consolidation;
- Computation of binary symmetrical matrixes (UCINET);
- Elaboration of one network per case study (NetDraw);
- Networks include the type of relation (EUCP, non-EUCP), scale of intervention of actors (European, National, Regional, Metropolitan, Local), and the degree of each node (the number of nodes adjacent to a given node in a symmetric graph measures the network activity).

In the case of Lyon metropolitan area, the team received and validated 8 answers from the selected institutions (see Table 4.2). Figure 4.4 depicts the metropolitan governance network in the Lyon metropolitan area.

Figure 4.4
The metropolitan governance network



CICC	Commission Interministérielle de Coordination des Contrôles
CIDFF	Centre d'Information sur les Droits des Femmes et des Familles
DGEFP	DGEFP
DRFIP	DRFIP
D_ARA	Direccte Auvergne Rhône Alpes
EC	European Commission
FE	Fréquences Écoles
I&D	Innovation et Développement
JdLu	Les Jardins de Lucie
MMIAE	Maison Métropolitaine pour l'Insertion par l'Activité Économique
MdL	Métropole de Lyon
OFELIA	OFELIA
R_ARA	Région Auvergne Rhône-Alpes
VdL	Ville de Lyon

Source: author's elaboration

This exercise requires caution in its analysis due to the limited number of actors who responded to the roster questionnaire. Bearing this in mind, the analysis confirms that the *Métropole de Lyon* relates with various stakeholders in the metropolitan area, in a formal or informal way, aiming at articulating strategies and actions in several policy domains. Although the metropolitan institution is obviously a key stakeholder in metropolitan planning and governance processes, its influence is more relevant outside the EUCP, due to its limited involvement in EUCP institutional architecture and due to the limited amount of EUCP funding that is devoted to the Lyon metropolitan area.

The other most relevant actors in the metropolitan governance processes related to the EUCP are the regional branch of the Ministry of Labour and Employment which is managing authority for the ESF Employment and Inclusion NOP, and the Auvergne-Rhône-Alpes Region, which is the managing authority of the ROP. Under the supervision of the former, *Métropole de Lyon* manages, programs and distributes ESF funds to organisations working in the field of social and professional integration. It also interacts with the Auvergne-Rhône-Alpes regional government, for the implementation of an Integrated Territorial Investment.

A number of other nodes emerge from the network analysis, such as the Metropolitan House for Insertion and Employment (MMIE) which is a partnership between public institutions, such as the *Métropole de Lyon*, the Région Auvergne-Rhône-Alpes, the state, 17 municipalities, three social housing companies, and also the chamber of commerce and industry and the chamber of craftsmanship. Within the ESF Employment and Integration, the MMIE has created positions for company-employment liaison officers, who have helped to establish closer links between local firms, NGOs that work towards professional integration and disadvantaged target groups who are looking for a job.

Finally, some actors that are related to specific sectors or activities within and outside the EUCP were mentioned by the interviewees, especially non-profit organisations which benefit from EU funding, such as the Regional Directorate for Public Funding, the Interministerial Commission for the Coordination of Controls at the national level and the European Commission.

With the exception of the Lyon municipality which is involved in an ESF project, other local authorities were not surveyed, but there is no doubt they are essential institutions in the area, operating in many policy domains at the local scale. For instance, among municipalities that were involved in an ITI project, one may mention Givors, Rilleux-la-Pape, Vaulx-en-Velin, Villeurbanne...

Although the selected interviewees were related to the EUCP, the predominant relevance of the metropolitan institution in metropolitan governance processes outside the EUCP emerged from the roster questionnaires.

Overall, the results can be summarized in the following bullet points:

- The *Métropole de Lyon* plays a major role in policy making outside the EUCP, while the Regional authority and the National ministries are pivotal in the EUCP institutional architecture;

- The *Métropole de Lyon* is involved in the EUCP as Intermediary Body for the ESF NOP and as Managing an ITI. Such policy covers various sectors like employment and inclusion, housing, urban regeneration, digital uses and youth;
- Non-profit organisations, businesses and target groups (such as youth, or people trying to access the labour market) are beneficiaries from the EUCP schemes convened by the *Métropole de Lyon* but their involvement in the governance of the EUCP is limited;
- Various actors at different levels are involved in metropolitan governance processes, especially outside the EUCP.

If we add the ERDF and ESF funds that *Métropole de Lyon* got through the NOP and ROP over the period 2014-2020, and other European funds (like an Urban Innovative Action - UIA, etc.), the EU funds represent less than 0.5% of the annual budget of *Métropole de Lyon*. Therefore, the influence of EUCP on metropolitan policies is quite limited.

Besides, regarding the 2014-2020 programming period, it has been defined by the national government and the region authorities on the wake of a territorial reform that led to an enlargement of regions and to the creation of *métropoles*. In this changing panorama, the voice of *Métropole de Lyon* could not really be heard.

It is by its own will that *Métropole de Lyon* integrates objectives, priorities, and targets of its policies with the programming, management and implementation of the EUCP goals. There does not seem to be a coordination of this integration at the national level or regional level. There is only a financial control by the region and the state as managing authorities of the EUCP funds they manage.

The absence of explicit mechanism for the integration of metropolitan decision makers in the programming of the EUCP is certainly a weak point. The centralised administrative culture in France is an issue.

However, in its regular discussions with the regional branch of the national government and the regional council Auvergne-Rhône-Alpes, the *Métropole* keeps pointing specific (metropolitan) issues. For instance, *Métropole de Lyon* manages the Chemical Valley (Vallée de la Chimie), a very large industrial site (2,000 hectares), which must be cleaned up and requalified in order to allow companies to set up in the area, in a context of severe land shortage. The 2014-2020 ROP allowed the requalification of brownfields for 14 million euros. As a technician of the *Métropole* says, « we've rushed in and submitted an application for 200,000 euros ». Following this first step, *Métropole de Lyon* would like to get access to the Just Transition Fund, part of the Green Deal which has been launched in 2019 by the President of the European Commission. The Just Transition Fund is endowed with 1 billion euro for France and 110 million euro for Rhône and Isère. In 2021, the Region is due to draw up a « just territorial transition plan » and *Métropole de Lyon* contributes very actively to it. The *Vallée de la chimie* project could make a strong contribution to decarbonation (currently a quarter of CO₂ emissions on the territory of the *Métropole* are due to the site's industries). There are also opportunities to help SMEs in their circular economy approach.

More generally, the *Métropole* tries to be heard in the discussions about the future NOP and the ROP. Regarding the ROP, the Region has conducted many online meetings in April and May 2020, i.e. during the first lockdown in France. The effects of the sanitary crisis have been part of the discussion. The two main strategic orientations of the ROP are a "smarter" Europe (SO1) and a "greener" Europe (SO2). *Métropole de Lyon* considers that it carries out many projects that would be eligible for these themes. In addition, reflecting the priorities of its new executive (elected in June 2020), *Métropole de Lyon* has expressed to the *Région* in October 2020 that it would like to have a larger envelope on SO2 in relation to the environmental issues of the metropolitan area and the integration of green mobility. As such, it requested that the concentration of funds could be reduced from 55% to 45% on the SO1 in favor of an increase of 10% of the SO2 from 30 to 40%. This was agreed by the Region. In January 2021, considering the ecological challenges that are imposed on all local authorities, *Métropole de Lyon* has expressed the view that the distribution could be more balanced between SO1 and SO2 (42.5% on each SO). This request is also based on the fact that mobility should be maintained in SO2 so that major projects can benefit from this thematic concentration.

Concerning the Strategic Objective 5 - "Territorial approaches", *Métropole de Lyon* has repeatedly expressed its concern about its low financial amount (31 M€) with regard to the challenges that the communities will have to face in the region. *Métropole de Lyon*, along with the other *métropoles* in the region (Clermont-Ferrand, Grenoble, Saint-Etienne), wants to be associated with the governance of this programme and to be recognized as relay organizations benefiting from an ITI envelope extended to other priorities (SO 1 and SO2) in order to implement structuring projects with the actors in the territory. *Métropole de Lyon* also wants

food issues to be taken into account in the themes covered by this SO because food in urban areas is a topic that is becoming more and more important. Before the COVID-19 crisis, *Métropole de Lyon* considered that one in three households in its territory could not afford to eat properly and that 15% of households did not have enough to eat. The health and economic crisis has amplified the phenomenon: since March 2020, 30% more people have been receiving food aid than before.

In the version of the ROP 2021-2027 currently being developed, released in November 2020, "the *Région Auvergne-Rhône-Alpes* has set itself objectives in terms of governance and implementation:

- Simplify and fluidify the implementation of European funds, in particular through the total dematerialization of documents and the use of simplified cost options,
- Establish effective and shared governance" (*Région Auvergne-Rhône-Alpes*, 2020: 23-24).

The latter item refers to the question of the place of groups of municipalities, particularly *métropoles*, in the governance of the European cohesion policy. As indicated, another challenge of the 2021-2027 programming is to simplify the procedures for project leaders. Indeed, the Region recognizes that "the 2014-2020 programming had some shortcomings: (i) an increase in regulatory complexity and administrative burden for project leaders related to both European and national provisions; (ii) legal insecurity due to the intensification of controls and the different, sometimes divergent, interpretations of the various control bodies; (iii) a lack of proportionality in the intensity of controls and financial corrections, particularly with regard to the rules on public procurement » (*Région Auvergne-Rhône-Alpes*, 2020: 24).

Challenges and critical elements

The absence of explicit mechanism for the integration of metropolitan decision makers in the programming of the EUCP is a weak point. The centralised administrative culture in France is an issue.

RECOMMENDATIONS

Recommendations for the stakeholder (metropolitan level)

- To go on collaborating with other metropolitan governments in Europe so as to advocate their role in the EU cohesion policy.
- To join forces with other French *métropoles* to plead at the regional, national and EU level that *métropoles* are very efficient institutions for the implementation of the EUCP, able to use REACT-EU and RRF funds in order to solve efficiently the multi-faceted effects of the COVID-19 crisis.

Recommendations for other relevant levels in the country (national/regional)

- The creation of the *Métropole de Lyon* and other *métropoles* in France shows an ambition by the national government to create a strongly institutionalized metropolitan administrative tier that should play contribute to competitiveness and cohesion at the national level but also at the European one. Their integrated approach to development, their expertise in the use of EUCP funds and the alignment of their aims with the EU ones should make possible the participation of *métropoles* in the elaboration of the national operational programme 2021-27.
- Similarly, the active involvement of the representatives of *métropoles* in the preparation of OPs at the national and regional levels would increase the efficiency of funds spending.
- To simplify and fluidify the implementation of European funds, by reducing the management burden and controls in the justification of projects financed, through the total dematerialization of documents and by investing on human resources that are the interlocutors of the *Métropole de Lyon*.
- To make possible that institutions with management duties (such as *Métropole de Lyon*) can access to resources from the technical assistance axis of the regional OP in order to hire staff/technical assistance.

Recommendations for the EU level

- The active involvement of the representatives of a well established tier of metropolitan government like *Métropole de Lyon* in EUCP planning and programming could help to fine tune policy schemes addressing more generally the metropolitan governance needs in Europe;
- To take policy initiatives to address the inhabitants' needs like housing, mobility, green infrastructure, waste management, energy management etc. through a coordination of instruments at the metropolitan region level. Lyon could be a place for such "metropolitan pilot-project".
- To establish the European Metropolitan Policy Observatory providing among others the statistical data for the EU metropolitan areas would significantly improve an evidence-based metropolitan policy both at the EU and at the national states level.

5 Cohesion policy impact

This section addresses the following key question: What role does the EUCP play in metropolitan policies and governance? How are cohesion policy objectives integrated in metropolitan institutional arrangements, and how does the EUCP contribute to the achievement of metropolitan goals? To what extent does the EUCP contribute to strengthen metropolitan governance and foster metropolitan cooperation?

5.1 EU cohesion policy objectives and actions

For the period 2014-2020, European cohesion policy is implemented through three funds: the European Regional Development Fund, the European Social Fund and the Cohesion Fund. France is not eligible for the Cohesion Fund. Rhône-Alpes itself is considered to be among the “most developed regions”, in comparison to “regions in transition” (like Auvergne) or “less developed regions” like the French outermost regions. As Rhône-Alpes is a “more developed region” (whose average GDP exceeds 90% of the EU-27 average), the ceiling for co-financing rates is 50%. The region must also direct at least 80% of the ERDF to the following main priorities: innovation and research, digital strategy, support for SMEs and low-carbon economy.

The Partnership Agreement between France and the EU targets three major issues: economic competitiveness and employment; energy and ecological transition and sustainable management of resources; and equal opportunities. The funds are mainly directed towards the competitiveness of SMEs and innovation, youth employment and personalized support on the labour market, social inclusion to combat poverty, the transition to a low-carbon economy and the protection and preservation of the environment and heritage. In this programming period, the ERDF is involved in a limited way in transport infrastructure, mainly for urban transport. Major infrastructure is financed only in the outermost regions and in regions in transition to open up these territories.

The institutional architecture of the programming and implementation of the ERDF and ESF in France has been explained in section 4. The local authorities are consulted when the programming is being drawn up, but they do not have any decision-making power with regard to the guidelines. The definition of the latter remains the prerogative of the national government. In addition, the regional councils and the regional directorates of the national administration exercise a filter in terms of implementation. For example, in the Rhône-Alpes region, a call for tenders was launched to designate the groupings of municipalities that would benefit from an ITI. Similarly, for the ESF managed by the State, the budget envelopes were pre-allocated by the national government (based on socio-economic indicators), then there were regional negotiations with local governments for readjustments. There were no discussions with the territories about their needs and priorities. This was the case for the 2014-2020 programming period and apparently it will be the same in the next period, even though *Métropole de Lyon* is acknowledged for its strong capacity to handle applications (processing 80 to 100 grant applications per year), while rationalizing duplication and encouraging the structures to coordinate their actions towards beneficiaries.

For these reasons, there is a great discrepancy between the *Métropole de Lyon*'s knowledge of local needs, its ability to mobilize entrepreneurial and associative actors in the EU cohesion policy, its very broad competencies (social, economic, urban planning, culture, etc.) and the low amounts received under the cohesion policy.

Métropole de Lyon gets funding through:

- an ITI which is managed within the ROP by the *Région Auvergne-Rhône-Alpes*;
- a NOP which provides funds from the ESF.

Métropole de Lyon has the political and technical capacity to mobilize these funds so as to align them with the metropolitan area needs.

Table 5.1
Objectives of the EU cohesion policy in the metropolitan area

Instrument	Type of Fund(s)	Axis	Objective
NOP	ESF	3	Fight against poverty and promotion of inclusion
ITI - ROP – Auvergne Rhône-Alpes	ERDF	1-2	Innovation to meet societal challenges. Energy transition, transport and the environment as a lever for sustainable development

Source: Author's own elaboration (2021)

5.1.1 Funded measures: main sectors and spatial distribution

In France, the urban axis of the ERDF targets the « priority districts » (i.e. deprived urban districts) which have been (re-)identified by the Ministry of Urban Affairs in 2014, following three decades of urban regeneration and social development schemes. This is the case for all ROPs, including in Rhône-Alpes. At the end of 2014, the *Région Rhône-Alpes* launched a call for applications to which the *Métropole de Lyon* responded so as to conduct an ITI. This ITI has a budget of 8 million euros. For the record, during the 2007-2013 period, Greater Lyon piloted an Integrated Urban Project (PUI) in favor of its distressed neighborhoods, with a budget allocated by the State of €9.7 million in ERDF and €1.1 million in ESF.

The ITI of *Métropole de Lyon* supports projects in neighbourhoods in difficulty on the following themes:

- (i) ICT development (€ 1.5 million);
- (ii) competitiveness of SMEs by building 'entrepreneurial poles' (€ 1.4 million);
- (iii) energy transition through the renovation of social housing estates (€ 5.1 million).

The concerned neighbourhoods are located mainly in the eastern part of the conurbation. The *Métropole de Lyon* is home to economically and socially fragile populations concentrated in a certain number of neighbourhoods: 26 out of 59 municipalities, i.e., 75 urban policy areas, representing 270,000 inhabitants, i.e., 20% of the population of the metropolitan area. The ITI therefore helps to meet the challenge of seeking to integrate these inhabitants and these neighbourhoods at the same time. The actions deployed allow for the support of social actors and inhabitants in the use of digital technology, the development of entrepreneurial clusters to ensure a local offer to entrepreneurs, and support to social landlords for thermal rehabilitation work.

To what extent does the ITI develop an integrated strategy? To address this question we will refer to four dimensions of an integrated approach: it should be territorial, multisectoral, strategic and it should promote multi-level governance (CGET, 2014). In the case of Lyon, the ITI certainly develops a territorial approach, taking into account the needs and potentials of specific places. It is multisectoral but it mobilizes only the *Métropole's* services that are already involved in the urban policy (*politique de la ville*). The small size of the ITI prevents a large mobilization of actors in the environmental, social and economic fields. The strategic dimension of the ITI seems weak because it juxtaposes actions rather than bringing them together, articulating them and making them consistent with each other. Finally, it cannot be said that the ITI brings together different actors (local, regional, private, civil society, etc.) by setting up and leading a partnership that constitutes a multi-level governance system. In brief, the integrated character of the ITI is very partial.

ESF funds (27 million euros) promote more a people-based approach, but the main priority (acting to support people who are far from the labour market and to fight poverty) proves to echo the territorial approach of ITI. The ESF funding helps *Métropole de Lyon* to address the main problems of the metropolitan area while facilitating synergies between social policies which used to be carried out by the *Département*, and economic development which was a key competency of *Communauté urbaine du Grand Lyon*. The metropolitan area has a large number of households who live on the minimum income (RSA), and this number is steadily increasing, but also 110,000 establishments, including 58,000 small and medium-sized businesses, which

provide opportunities for a return to employment. The objectives are to strengthen the links between companies and social integration actors, for the benefit of people who are far from employment, and also to systematize social clauses in public contracts and develop them in the private sector.

Challenges and critical elements

The ITI targets the districts that are the most in need of initiatives to tackle social, economic and urban issues and the ESF complements this by promoting social integration through work. However the financial envelope of the ITI is small as compared to the investments made within local and national schemes for urban regeneration. As a consequence of the limited funding, a multisectoral approach is implemented (ICT, entrepreneurship, thermal renovation of social housing estates), rather than a truly integrated one.

5.2 Coherence and synergies with metropolitan objectives and instruments

5.2.1 Alignment with the goals defined in metropolitan instruments

Métropole de Lyon is able to use the EU funds in order to amplify its own policies. This is especially true regarding actions on the labour market, at the junction of social policies and economic development. This is also the case for digital mediation, a sector which is especially important in the current pandemic context. We can note that for the first field of action, the actions that were funded by the ESF are coherent with the local plan to mobilize firms in order to bring low qualified people to work (PMIe). Regarding the digital policy, a more social orientation has been stimulated by the ITI (and even more with the COVID pandemic and the associated strict lockdown of spring 2020) whereas, in the beginning, the *Métropole* had adopted a more traditional, innovation-based model of smart city.

The actions funded within the ITI are certainly aligned with local priorities regarding urbanism. However, there is a divide in France between urbanism and spatial planning, even though spatial plans (namely PLU, SCOT...) are supposed to guide and facilitate local urban projects. As a result, we cannot say that the ITI or the EUCP more generally have any influence on the practice of spatial planning. This disconnection between spatial planning and sectoral actions (and urbanism) is certainly an issue considering the size of the Lyon metropolitan region, which is much larger than the perimeter of *Métropole de Lyon*. To give an illustration, the EUCP implemented in Lyon does not encourage any linkage between rural areas (or suburban ones outside *Métropole de Lyon*) and the metropolitan core. This is due to the fact that the respective ERDF and EARDF OPs are built in such a way that they don't allow linkage and synergy. The EARDF OP finances only project in rural areas. There is also an absence of link between the EUCP and the *Pôle métropolitain*.

5.2.2 Thematic priorities

In France, the largest groupings of municipalities are home to large populations and thus concentrate many issues of social and territorial cohesion. This explains why they have in charge major policy fields like housing, urban regeneration, services of general interest, etc. (see section 3). *Métropole de Lyon* has even more competences since it takes in charge actions that used to be performed by the *Département du Rhône*, notably social aid, social integration and colleges. As a result, the thematic priorities for metropolitan action reflect and resonate with EU and national cohesion policy priorities. This is true in different fields like infrastructure, transportation, social inequalities and territorial disparities, economic development, education etc.

We can take the example of integration through economic activity. In the spring of 2015, a few months after its creation, *Métropole de Lyon* launched a consultation process with nearly 250 partners to develop a metropolitan employment integration program (PMI'e) for the period 2016-2020. This tool is unprecedented in France. The consultation process enabled the *Métropole* to establish a shared diagnosis of the territory's situation in terms of integration, its strengths as well as its room for improvement. In addition, numerous guidelines and proposals for action were put forward concerning the links between inclusion and economic

development, inclusion paths, governance, user participation, etc. The PMI'e 2016-2020 was voted by the Metropolitan council in December 2015. It is based on this multi-partner work at the same time as it reflects the establishment of priorities for the *Métropole* a few months after its creation. The PMI'e reflects the dual ambition of *Métropole de Lyon* to better respond to the needs of the most vulnerable people and to combine economic development and integration in its territory. It is based on three ambitious orientations: to develop the offer of integration through companies; to build a service offer oriented towards access to activity for beneficiaries of the minimum income (*revenu de solidarité active* - RSA); to carry a shared project for an exemplary metropolitan territory. The PMI'e is multi-year in order to allow for rapid adaptation, throughout the duration of its implementation, in order to take better advantage of the territory's assets and the experience of the stakeholders (decision-makers, operators, companies, etc.).

5.2.3 Funding magnitude

With 7.9 million inhabitants and a GDP of 241 billion euros, Auvergne-Rhône-Alpes is the second largest region in France and one of the largest in the European Union. In the EUCP, it is considered as a « developed region ». The area of *Métropole de Lyon* is the most productive part of this region: its GDP is 74.6 billion euros in 2019, which represents nearly one third of the regional GDP. Besides, *Métropole de Lyon* has major competences, like economic development, social policy, education, culture, environment, etc. In 2021 its budget amounts to 4 billion euros in 2021. In this context the amount of EU funds that flow to the *Métropole de Lyon* are very small. Around 12 million euros per year between 2017 and 2020 represent around 0.3% of the budget of *Métropole de Lyon*.

Challenges and critical elements

Métropole de Lyon has quite broad development goals which happen to be in line with the EUCP objectives. However, in practice the EUCP funds are mainly restricted to social development issues and urban regeneration. Widening the sectoral scope of the EUCP in Lyon (for instance to environmental issues) and extending its territorial dimension (towards more rural-urban cooperation) is a challenge.

5.3 Outcomes

The EUCP contributes to the achievement of metropolitan goals regarding social integration. The ESF resources have been used to amplify the initiatives aiming at bringing disadvantaged people back to the labour market.

Regarding the ITI (8 million euros), it can be seen as an additional financial resource for *Métropole de Lyon*. However, the use of this instrument did not make the funded projects more « integrated ». This is linked to the limited financial resources offered by the ITI in comparison to the projects that are conducted by *Métropole de Lyon* in the disadvantaged districts, in conjunction with the national government and its operators (notably *Agence Nationale pour la Rénovation Urbaine*-ANRU).

The ITI has been an opportunity to introduce a new theme in the disadvantaged districts: digital culture. Seven projects have been developed for a total of 1.5 million euros. One of the projects is the networking of digital players on the scale of the metropolitan area (restricted to *Métropole de Lyon*), whereas previously they each operated on a smaller territorial scale, most of the time at the municipal level. On the basis of this network, *Métropole de Lyon* has been able to respond to a call for project from the national government that finances 4,000 « digital advisers ». *Métropole de Lyon* obtains 50 of them and they will be deployed throughout the territory.

Another project within ITI was carried by a municipal social center (in Rilleux-la-Pape). It consisted in the creation of a digital public space. Social centers are quite relevant for digital mediation as that they reach disadvantaged people. This project was successful and now *Métropole de Lyon* aims at deploying digital public spaces in the sixty social centers that exist over the territory. These facilities are supposed to provide access to social and economic rights, but also to instill innovation with fablabs and third places.

Another notable project was led by Fréquences Ecoles, a non profit association that promotes digital inclusion. The support from ERDF make possible to launch a festival about the uses of digital tools : *Super Demain*. This annual event targets school children, teachers and parents.

Outside the ITI, a significant integrated project is Home Silk Road, a winning project of Urban Innovative Action, ERDF programme (article 8). This project is taking place over 2018-2021. The project involves re-generating a site where artificial silk factories were developed at the beginning of the 20th century, and workers' housing. A building is renovated for housing purposes, with emergency accommodation being provided in a first step. The project combines transitional urban planning, the integration of vulnerable people and the reception of migrants. It brings together a cultural centre and a social landlord, the municipality of Villeurbanne, an emergency accommodation association and the *Métropole*. *Métropole de Lyon* carries the Home Silk Road project and as such receives 5M euros from the ERDF, i.e. 80% of the cost of the project.

It is also worth mentioning that with the support of ESF the *Métropole de Lyon* created positions of Business-Employment Liaison Officers in order to establish closer links between local firms, non profit associations that work towards professional integration and disadvantaged target groups who are looking for a job.

Table 5.2
Successful outcomes

Action	Field	Outcome	Added value	Role of the metropolitan institution
Networking of digital players (public, private, NGOs...) on the scale of the metropolitan area	Digital	Better knowledge of the skills and complementarities of each organisation involved	Successful response to a national call for project, with funding for 50 « digital advisers »	Creation and animation of the network
Creation of Business-Employment Liaison Officers	Employment	The liaison officers establish relations with local companies and mobilise them on the issue of integration	Help to firms which experience human resources shortages	The <i>Métropole</i> developed such positions in order to link social integration and economic development
<i>Super Demain</i>	Digital	The event facilitates access to educational resources and digital media	The project targets families and schools in disadvantaged urban neighbourhoods	The <i>Métropole</i> selected and funded the project
Home Silk Road	Urban Innovative Action	The project combines transitional urban planning, the integration of vulnerable people and the reception of migrants.	Integrated approach to urban and social issues and innovation in the solutions	Leader of the project in partnership with a cultural centre and a social landlord, the municipality of Villeurbanne, an emergency accommodation NGO

Source: author's elaboration

Challenges and critical elements

In qualitative terms, the EUCP has contributed to policy innovation in Lyon. The challenge is to benefit from more EUCP funds in order to amplify the outputs of the EU-based projects and schemes.

5.4 The impact of the EU cohesion policy in the COVID-19 emergency

Thanks to the NOP, the *Métropole de Lyon* has been able to use EUCP resources towards a reaction to the pandemic. In March 2021 it launched a call for projects on mental health, using the remaining ESF funds from the 2015-2020 period (310 000€). This specific call for projects is to support emergency mental health prevention measures made available to integration structures for the public they serve. Thus, in the post Covid-19 phase, cohesion funds have allowed targeted interventions on some problematic areas such as those related to social cohesion and unemployment.

Challenges and critical elements

A challenge for *Métropole de Lyon* is to have a say in the the Next Generation EU funds (REACT-EU and Recovery and Resilience Facility).

5.5 The impact of the EU cohesion policy on metropolitan governance and cooperation

In the case of Lyon, the EU cohesion policies operate within a framework of metropolitan cooperation that is 50 years long and is highly decentralized in the sense that the metropolitan council and executives define the priorities. Considering multi-level governance, the EU cohesion policies have the merit of connecting the *Métropole de Lyon* with the region (managing authority) and the state (managing authority and developer of the Partnership Agreement and of key post-COVID 19 measures). The dialogue and the cooperation with one or another of these institutions is not obvious for the *métropole* because it has been designed by the Parliament as a freely managed local authority with large fields of action. Vis-à-vis the state the challenge is to have the specificities of the *Métropole de Lyon* acknowledged, notably the capacity to implement social policies. Cooperation is even more difficult with the region, because there is rivalry between the two local authorities. The Region is the managing authority of the ERDF and of 35% of the ESF. In the 2014-2020 period, Région Auvergne Rhône-Alpes was new to this responsibility. Besides this region results from the merger of two regions with different levels of development (and different approaches to the EUCP), Auvergne and Rhône-Alpes. Institutional evolution also applies to the case of Lyon: *Métropole de Lyon* took the continuity of the former *communauté urbaine* but it had to look for synergies with the policy fields inherited from the *département*. For these reasons, the relationships between the two institutions are far from simple.

Metropolitan governance may also be analyzed in its horizontal dimension, i.e. in the fact that EU funds may have increased cooperation between various public or private organisations. In the case of Lyon, the EU cohesion policy fosters and consolidates the cooperation between the metropolitan government, which has over 9,400 staff, and actors of social integration. Typically, these actors get EUCP funding to carry out projects in favour of low qualified and unemployed people, or high school pupils in need of digital education. There are over 60 beneficiaries of the ESF during the 2014-2020 programming period. Firms may be involved thanks to the Business-Employment Liaison Officers (*Chargés de liaison entreprise-emploi*). This added value of the EUCP funds is important since in Lyon there are human resources shortages in several economic sectors, and also because the *Métropole* can develop policy schemes regarding both social integration and economic development.

Since the national government has looked for a reduction in the number of intermediary organisations, *Métropole de Lyon* has taken over projects that were, until now, led by municipalities, individually or in groups. This pleads for more cooperation between municipalities and the *Métropole*. This has both a political dimension (the capacity of public decision-makers to agree on orientations and projects even though they may have divergent political orientations) and a technical one (the capacity of *Métropole*-based departments to interact with their counterpart at the municipal level).

Finally, metropolitan governance may also be analyzed in its sectoral dimension, i.e. in the fact that EU funds may have increased cooperation between various departments within the *Métropole de Lyon*. The actors willingly recognize that a limitation of the ITI is that its governance is essentially reduced to the internal services that conduct the urban regeneration policy. For the 2021-2027 programme, the desire is expressed to have a broader involvement of a greater number of services. This assumes a precondition: to financially amplify the future ITI or any other tool that would replace it. In the event that the OS5 of the ROP is reduced, it would be necessary to mobilize the other OS for territorial actions. To do this, the *Métropole's* Europe Department could have a contact person in each department or division.

Moreover, the *Métropole* is aware that cohesion funds are small in the context of a developed region. A good part of the European funds can be reached in other ways. This concerns in particular the companies. Therefore, *Métropole de Lyon* would like to raise awareness of companies about the importance of setting up European projects. Work is being done with the competitiveness clusters, which themselves have staff who seek to set up European projects for the benefit of companies.

Challenges and critical elements

In the preparation of the new programming period, a key challenge for the *Métropole de Lyon* is to elaborate with the *Région Auvergne Rhône-Alpes* a joint vision and strategy making.

RECOMMENDATIONS

Recommendations for the stakeholder (metropolitan level)

- To develop a more active and relevant role in the definition of policies and programmes related to EU funds (EUCP, REACT-EU, RRF), arguing that it is the only actor that can mobilize efficiently the business community, social organisations, higher education institutions, etc. in an integrated approach and a metropolitan vision.
- Projects contributing to the implementation of the metropolitan objectives (post COVID-19 economic recovery, social cohesion, better quality of life through the improvement of metropolitan (green) infrastructures...) should build on the municipal and neighbourhood levels.
- To plead for « new » and metropolitan relevant themes to be included in the aims of the new programming period (circular economy, improving energy efficiency in public transport, etc.).

Recommendations for other relevant levels in the country (national/regional)

- To leave more room to *métropoles* (including *Métropole de Lyon*) in the definition of policies and programmes related to EU funds (EUCP, REACT-EU, RRF).
- To include « new » and metropolitan relevant themes in the aims of the new programming period (circular economy, improving energy efficiency in public transport, etc.).

Recommendations for the EU level

- To enhance and reinforce the role of *Métropole de Lyon* in the Next Generation Funding Program.
- The EUCP and the RRF should explicitly address issues that are typical of metropolitan areas (farm to fork, mobility, socio-economic polarisation) and develop tools for an integrated approach at the metropolitan scale.

6 Main challenges and recommendations

6.1 The role of metropolitan areas in the EU cohesion policy governance

Challenges

- Like other French *métropoles*, *Métropole de Lyon* is not included in the design of the EUCP at the national level. It is consulted, but not decision maker in the making of the ROP. The role of *Métropole de Lyon* is mainly limited to the implementation of the NOP and the ROP as beneficiary of intermediary body.
- The decentralization of the EUCP funds to French regions has proved to be difficult due to the lack of skilled resources, the administrative burden and excessively long payment times. All this has complicated the mobilisation of European funds by local actors in Lyon.
- In France, the policy and the EUCP support for counteracting the effects of the pandemic are highly centralized (*France Relance*). The decentralization is small and it is limited to regions. Since *Métropole de Lyon* has been very active in order to help social, economic and environmental actors, using its own resources, there is a risk of dialogue of the deaf, with two parallel policy schemes (national/regional vs. metropolitan).



Recommendations for the *Métropole de Lyon* (metropolitan level)

- To go on collaborating with other metropolitan governments in Europe so as to advocate their role in the EU cohesion policy.
- To join forces with other French *métropoles* to plead at the regional, national and EU level that *métropoles* are very efficient institutions for the implementation of the EUCP, able to use REACT-EU and RRF funds in order to solve efficiently the multi-faceted effects of the COVID-19 crisis.



Recommendations for the regional and national level

- The creation of the *Métropole de Lyon* and other *métropoles* in France shows an ambition by the national government to create a strongly institutionalized metropolitan tier that should contribute to competitiveness and cohesion at the national level but also at the European one. Their integrated approach to development, their expertise in the use of EUCP funds and the alignment of their aims with the EU ones makes highly relevant the participation of *métropoles* in the elaboration of the national operational programme 2021-27.
- Similarly, the active involvement of the representatives of *métropoles* in the preparation of OPs at the national and regional levels would increase the efficiency of funds spending.
- To simplify and fluidify the implementation of European funds, by reducing the management burden and controls in the justification of projects financed, through the total dematerialization of documents and by investing on human resources that are the interlocutors of the *Métropole de Lyon*.
- To make possible that institutions with management duties (such as *Métropole de Lyon*) can access to resources from the technical assistance axis of the regional OP in order to hire staff/technical assistance.



Recommendations for the EU level

- The active involvement of the representatives of a well established tier of metropolitan government like *Métropole de Lyon* in EUCP planning and programming could help to fine tune policy schemes addressing more generally the metropolitan governance needs in Europe;
- To take policy initiatives to address the inhabitants' needs like housing, mobility, green infrastructure, waste management, energy management etc. through a coordination of instruments at the metropolitan region level. Lyon could be a place for such "metropolitan pilot-project".
- To establish the European Metropolitan Policy Observatory providing among others the statistical data for the EU metropolitan areas would significantly improve an evidence-based metropolitan policy both at the EU and at the national states level.

6.2 Impact of the EU cohesion policy on (the achievement of) metropolitan goals

Challenges

- Whatever the 2014-2020 programme considered (NOP, ROP), the level of EU funding is very low in Lyon (around 5 euros per inhabitant and per year). Inter alia, this prevents the Lyon ITI from developing a truly integrated character in spite of the rich experience and strong capacity of *Métropole de Lyon* in urban and social regeneration. Thus the aim of social cohesion through spatially targeted action ("priority" districts), shared by all levels of governance from municipalities to the EU, cannot be reached.
- Regarding the ESF funded actions (NOP), the modest funding sets limits to a large mobilisation in the programme of stakeholders like the business community and the civil society. It is difficult to involve new beneficiaries. Some beneficiaries complain about an excess of bureaucratic procedures for the development of very small projects.
- Managing authorities (state, region) have a trade-off between the search for efficiency in the use of EU funds, which would lead to consider *Métropole de Lyon* as a key partner, and the search for territorially balanced development, which would mean to prefer funding projects in non metropolitan areas. This dichotomy prevents from maximizing the possible trickle-down effects of conducting collaborative and integrated projects in the Lyon metropolitan region (cooperation between *Métropole de Lyon* and social or economic partners beyond its boundaries).
- A major challenge for the *Métropole de Lyon* is to act to cushion the negative economic and social effects of the COVID-19 crisis while maintaining stable its financial situation (which is quite good at the moment). The aims of *Métropole de Lyon* are clearly defined and in line with EU priorities, making possible to use much more EU instruments and funds.
- Other local beneficiaries of EU funds, like higher education and research institutions, have underdeveloped horizontal relations with *Métropole de Lyon* (or they have relationships outside the EUCP), resulting in a low visibility of the EUCP locally;



Recommendations for the *Métropole de Lyon* (metropolitan level)

- To develop a more active and relevant role in the definition of policies and programmes related to EU funds (EUCP, REACT-EU, RRF), arguing that it is the only actor that can mobilize efficiently the business community, social organisations,

higher education institutions, etc. in an integrated approach and a metropolitan vision.

- Projects contributing to the implementation of the metropolitan objectives (post COVID-19 economic recovery, social cohesion, better quality of life through the improvement of metropolitan (green) infrastructures...) should build on the municipal and neighbourhood levels .
- To plead for « new » and metropolitan relevant themes to be included in the aims of the new programming period (circular economy, improving energy efficiency in public transport, etc.).



Recommendations for the regional and national level

- To leave more room to *métropoles* (including *Métropole de Lyon*) in the definition of policies and programmes related to EU funds (EUCP, REACT-EU, RRF).
- To include « new » and metropolitan relevant themes in the aims of the new programming period (circular economy, improving energy efficiency in public transport, etc.).



Recommendations for the EU level

- To enhance and reinforce the role of *Métropole de Lyon* in the Next Generation Funding Program.
- The EUCP and the RRF should explicitly address issues that are typical of metropolitan areas (farm to fork, mobility, socio-economic polarisation) and develop tools for an integrated approach at the metropolitan scale.

6.3 Impact of the EU cohesion policy on metropolitan governance and cooperation

Challenges

- A first form of metropolitan government has appeared in Lyon in 1969 and over time it conducted more and more development policies for the member municipalities. The *Métropole de Lyon* exists nowadays as a fully fledged local authority with decision-making mechanisms that are able to create consensus and common understanding of metropolitan development goals. However the boundaries of the *Métropole de Lyon* are nearly the same as five decades ago. The area of this metropolitan tier of government is very narrow, undermining the possibility to address certain challenges which are typical of metropolitan regions (farm to fork, mobility, air pollution...).
- Horizontal inter-territorial cooperation is nearly non-existent. The *pôle métropolitain* could be a vehicle for this but it develops only few actions. Strategic spatial planning is fragmented in a dozen parallel exercises in the functional region while a key challenge is to achieve a shared vision between elected officials regarding the urban-rural development.
- There seems to be no demand from the EUCP managing authorities (state, region) for urban-rural cooperation to which the *Métropole de Lyon* could contribute. Such cooperation would lead to a more coherent development of a functional urban region which has today considerable size and economic and demographic weight on the French and European scale.
- In terms of competencies, by taking over from the *communauté urbaine* while also exercising all the powers of the Rhône department within its territory, the *Métropole de Lyon* is in France the only *métropole* to conduct social policies. This could provide fruitful synergies between various

Challenges

policy fields that matter for metropolitan development. But at the national level this may result in a lack of visibility of *Métropole de Lyon* for national social policies, and/or European cohesion policies;

- In France, all tiers of subnational government are freely administered and no territorial authority exercises guardianship over another. This implies that in a given region, the regional authority and the metropolitan government may develop divergent actions. This risk is limited by financial constraints but it may be increased by opposed ideologies. In the case of Lyon, the political rivalry between the regional authority and the metropolitan government is real.



Recommendations for the *Métropole de Lyon* (metropolitan level)

- To use the EUCP to scale up metropolitan governance to the functional metropolitan region. The *pôle métropolitain* could get involved in EU programmes. Besides, if it could devote more human resources to the EUCP, the *métropole* could also help smaller groupings of municipalities to manage EU funding (training, networking...). On the occasion of EUCP funds, new mechanisms and instruments of regional governance could be set up between *Métropole de Lyon* and the other groupings of municipalities in the metropolitan region.
- To facilitate a direct and permanent engagement of citizens' organisations, NGOs, science and business representatives in the most important metropolitan governance decision-making processes. This should also help to provide EUCP projects with both democratic legitimacy and the efficiency.
- To use strategic spatial planning (Inter SCOT) as a first step for long-term strategic metropolitan planning, helping to identify new possibilities for interterritorial cooperation which could possibly benefit from EU funds.



Recommendations for the regional and national level

- The national level could give an experimental role of Managing Authority to *Métropole de Lyon*, for the 2021-2027 programming period, as this was done for the *Région Alsace* before decentralizing the ERDF.
- To acknowledge the experience of *Métropole de Lyon* (knowledge, competences, links to the civil society and the business community) and to encourage horizontal inter-territorial cooperation, based on such resources of *Métropole de Lyon*.



Recommendations for the EU level

- To link EU challenges (climate change, COVID-19 crisis, etc.) to metropolitan-based action in the 2021-2027 programming period of the EUCP. The RRF specifically justifies to target metropolitan areas due to the population densities and the concentration of functions they provide. New tools could be imagined, or using them differently (like mixing various funds in the ITI).
- To address the issue of metropolitan governance in the 2021-2027 programming period of the EUCP. The capacity to implement integrated planning tools is sensitive to specific context, so the EUCP should provide a framework that allows tasks and long-term actions to be tailored to the needs of particular metropolitan areas.

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