



## Italy's Presidency of the Council of Ministers

### Habitat III Italy's National Report



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## Foreword

*Prof. Claudio De Vincenti, Undesecretary of State to the Presidency of the Council of Ministers*

Throughout modern history, urbanisation has been one of the key drivers of growth and poverty reduction. Identification of urban areas as crucial intervention scale for development represents the outcome of a long path of political and cultural development and project-design experimentation at both international and national level.

Cities are endowed with remarkable assets and opportunities (cultural attractors, scientific and production centres, social gathering spaces), as well as areas affected by strong poverty (single-purpose peripheral neighborhoods, marginal areas) and social unease (at spatial and cultural level; social minorities).

Hence, within the European Agenda for Sustainable Development, cities perform a central role and a strategic priority, supported by the European Parliament, the European Commission and the Committee of Regions. The Agenda cross-cuts numerous 2020 intervention areas (from social inclusion to sustainable growth) adopted by Italy attributing more ambitious tasks to urban policies – i.e.: identifying *ad-hoc* strategies to counter the social impact of the economic crisis; exploring the issue of climate change more effectively; and accompanying the institutional reform and reorganisation processes under way.

Italy's urban structure is based on a multi-centre pattern, characterised by large agglomerations of metropolitan rank ("metropolitan cities"), a number of medium-sized cities that exercise relevant service functions in favour of the surrounding area ("medium-sized cities") and a large number of smaller urban contexts, marked by widespread phenomena of new urban conurbation that define new centres or modify the existing ones.

In this context, problems and opportunities can be connected to three main dimensions: the first focuses on the issues of sustainable economic development and environmental quality; the second is related to the organisation of cities' "greater metropolitan areas" services; the third concerns challenges and social difficulties affecting some categories of citizens, specific neighborhoods and identified urban areas.

It is now up to policy-makers and decision-makers to identify how to reduce unease dimensions and ensure urbanisation sustainability, both within small rural communities and urban areas in small/medium-sized and metropolitan cities.

Italy's Government is developing a series of tools to support the process of European Urban Agenda definition, setting work priorities and methods, and contributing to the definition of the European Urban Agenda strategic documents, including the Amsterdam Pact.

At national level, at this stage, urban policies find broad support in the 2014-2020 programming of Cohesion Policy resources allocated to cities both through National Operational Programmes (among which the "*Città Metropolitane*" National Operational Programme deserves special

attention) and 2014-2020 Regional Operational Programmes which almost always provide for a development axes specifically dedicated to cities.

These instruments are complemented by the Pacts stipulated for seven metropolitan cities located in the Mezzogiorno Area (partly undersigned and partly to be signed) financed via resources of the 2014-2020 Fund for Development and Cohesion. Furthermore, two extraordinary programmes of intervention are funded with ordinary resources – i.e. the first on urban regeneration and safety of metropolitan cities and provincial capitals' suburbs; and the second aimed at deprived urban areas, respectively. Both programmes are currently being implemented and require the involvement of further public and private entities.

Urban policies are also required to rely on more effective coordination of sectoral policies at all government levels and definition of goals and new tools for urban regeneration strategies, to be fine-tuned based on best practices and research experiences currently underway.

EU and national consideration on urban issues is fully consistent with the reflection triggered by the United Nations through Habitat III.

The Habitat III Initiative on Housing and Sustainable Urban Development stems from UN/67/216 Resolution adopted by the General Assembly, which established the objectives pursued – namely: assessing the steps already undertaken; renewed political commitment to access to housing and sustainable urban development; combating poverty, and identifying new challenges through approval and implementation of a new Urban Agenda.

Habitat III has the merit of bringing together, in addition to Member States, all relevant parties such as local administrations, multilateral organisations, private sector and civil society. Each party can respond to such opportunity by promoting a new urban development model that integrates all sustainable development aspects to foster equality, welfare and growth.

This Report is entrusted with the task of explaining the changes taking place in Italy, through in-depth analysis of those thematic areas that can significantly reflect the complexity of our Country's urbanisation system.

The hope is that, besides the Quito appointment, valuable debate can be pursued through mobilisation of communities and participation of all institutional and cultural levels to raise urban policy centrality at national level. And that, in any case, is our commitment.

## Introduction

*Vincenzo Donato, Head of the Department for Cohesion Policy, Presidency of the Council of Ministers*

Habitat III, the international Conference organised by UN-Habitat (UN Agency for Human Settlements) will be held in Quito (Ecuador) in October 2016, dedicated to the theme of Housing and Sustainable Urban Development.

The event aims to focus the debate on urban issues perceived in their complexity and variety, with the aim to strengthen global commitment on sustainable urbanisation and implementation of the "New Urban Agenda", built upon the Habitat Agenda adopted in Istanbul in 1996.

Participating Countries are required to develop a national report on urban policies, both in implementing the commitments undertaken within the previous Habitat II Conference of 1996, and in relation to issues connected to urbanisation nationwide.

Based on the experience of the Habitat II Conference held in Istanbul in 1996, in November 2015 the Department for Cohesion Policy at the Presidency of the Council of Ministers, in consultation with the Department for Economic Policy Coordination and Planning, took over the coordination of activities for Italy's participation in the Conference and preparation of the national Report.

*Ad-hoc* coordination meetings were therefore held between relevant national actors (Presidency of the Council of Ministers, Ministry of Foreign Affairs and International Cooperation, Italy's Agency for Development Cooperation, Ministry of Infrastructure and Transport, Ministry of the Environment and Protection of Land and Sea, and Ministry of Cultural Assets and Activities and Tourism, Ministry of Economic Development) and representatives from Regions and Municipalities authorities (Conference of Regions and the National Association of Italian Municipalities – ANCI). These meetings were also attended by: the National Institute of Urban Planning (also selected by Habitat III as co-lead for Policy Unit 6 – Urban Spatial Strategies: Land Market and Segregation), Urban@it Association – National Centre for Urban Policies Studies, and the National Institute of Statistics (Istat).

All participants provided useful hints for preparation of the national Report, patterned on the basis of the UN Habitat "Guidelines and format for the preparation of national reports".

The Report describes the peculiarities of Italy's situation and dimensions, characterised by a polycentric structure based both on large conurbations (metropolitan cities) and specifically vibrant medium-sized cities endowed with remarkable services supply systems, and on the presence of a high number of smaller realities.

The Report aims to contribute knowledge, experiences and proposals which, although partial, will be a support to the strategic choices that may be undertaken subsequently.

Compared to the Habitat II Conference held back in 1996, Italy's institutional and territorial organisation has strongly changed. We are witnessing an increasingly strong role played by urban institutions, on the one hand with the establishment of metropolitan cities and, on the other, with small administrative contexts strongly encouraged to merge. The successful conclusion of this process will be an important tool to set up better performing local investment strategies in order to improve inter-institutional dialogue for management of public municipal services, with the aim of implementing an efficient and effective synthesis of additional investments and ordinary policies.

Focus on cities has indeed grown, finding motivation and support within EU and national policies, through the 2014-2020 programming period of EU Structural Funds and use of national ordinary and cohesion resources.

This Report may provide an opportunity to reflect on the economic and social process taking place within our cities, for promotion of management policies and reuse of building stock in order to feed the debate on the challenges related to planning and management of urban spaces, and acknowledging cities' strategic role as development drivers.

## ACRONYMS

*ANCI* – *Associazione Nazionale Comuni Italiani*-(National Association of Italian Municipalities)

*CIPE* – *Comitato Interministeriale per la Programmazione Economica* (Interministerial Committee for Economic Planning)

CIP – Community Initiative Programme

*DPCM* – *Decreto Presidente del Consiglio dei Ministri* (President of the Council of Ministers Decree)

EPOMM – European Platform on Mobility Management

EUSAIR – EU Strategy Adriatic Ionian Region

GDP – Gross Domestic Product

*IACP* – *Istituti Autonomi Case Popolari* (Council housing autonomous institutes)

*INPS* – *Istituto Nazionale di Previdenza Sociale* (Italy's national social security institute)

*Istat* – *Istituto nazionale di statistica* (Italy's National Statistics Institute)

NES – National Energy Strategy

NGO – Non Governmental Organisation

NOP – National Operational Programme

PA – Public Administration

ROP – Regional Operational Programme

## I. Urban Demographic Issues and Challenges for a New Urban Agenda

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### § 1. Managing rapid urbanization

Italy's urbanisation growth has been characterised by remarkably widespread construction activity and a tendency to underestimate the imperatives of natural connotations of territories, also invading areas that should have been more prudently preserved, as they are subject to geological, seismic or volcanic risks.

Among the main drivers of urbanisation evolutions, demographic dynamics have undoubtedly played a major role. Overall, the Italian housing system is not very flexible in the face of rapid urbanisation, as it has long been aimed at favouring residential properties: only 18% of the population lives in rented accommodations. The entities – notably public ones – that should contribute their own resources to such demand increase now focus their interventions mostly on maintenance and management of existing constructions.

Between 1978 and 2001, the population remained stable at around 56 million inhabitants, and from 2001 to 2016 residents have grown to 60 million units. Italy's natural increase has been negative since 1993: foreign immigrants first provided the Italian territory with stable levels, followed by the population increase revealed by official statistics. Foreigners currently amount to 5.54 million units and represent 8.3% of Italy's total population. A 5.9% growth peak was recorded between 2001 and 2009, resulting in an increase of 3.343 million residents (ISTAT, 2016).

Migrants coming from Eastern Europe and Asian and African Countries mainly settled in Italy's north-centre Regions, where local employment systems absorb their labour supply. At 2014, Italy's official employed foreigners were almost 2.3 million (10.3% of total employed persons) and unemployed persons amounted to 466,000.

The number of households increased from 21.8 million in 2001 to 24.6 million in 2011. Their composition has also changed over time: one-person households are one in three, rising from 5.4 million to 7.6 million. An opposite trend characterises large households: those with 5 or more components have dropped to 5.7% of the total.

Versus the 2011 24.6 million households, occupied dwellings are now 24.1 million, suggesting a housing shortage of about 470,000 dwellings which the Country tries to compensate with improper cohabitation solutions and inadequate facilities (ISTAT, 2011). However, Italy's housing shortage is not addressed by adequate land and soil use, and for almost fifty years the construction of "second homes" has been invading coastal and tourist areas throughout the Country.

Italy hosts 60,447 inhabited localities, 21,714 of which are urban centres. The Italian urban model is known as "urban sprawl", as the average size of Italian urban centres is small. Also today about 42% of the Italian population lives in municipalities with fewer than 15,000 inhabitants. If this feature resulted in widespread good quality of life, the crisis ongoing for nearly a decade has impacted on the weakest segments of urban populations and resulted in increased inequality.



In terms of settlement, it is no longer a question of merely "horizontal" inequality (e.g. gentrification or expulsion of vulnerable groups from most valuable areas), but also of stronger separation and unease in the areas jointly inhabited by multiple social classes.

## **§ 2 Managing rural-urban linkages**

Italy's urban growth recorded over the last twenty years has exceeded its population growth and caused widespread soil sealing. Italy's soil consumption continues to increase significantly (Par. 9 Chapter II), involving both natural and agricultural areas due to construction of infrastructures and expansion of (often low density) urban areas.

Over the last decade, utilised agricultural areas have decreased by 12% and farms by 14%, respectively. Consequently, awareness has grown as to the need to protect agricultural activities, and reflection on new rural-urban linkages is constantly evolving. The phenomenon has been accompanied by 21 local agendas and the Aalborg Charter, which helped the institutional system to overcome traditional rural-urban antagonism. Furthermore, the changes occurred have been corroborated by the European Charter of Rural Communities and the EU rural development policy, thanks to which the concept of "multifunctional" rural space has been clearly developed.

Partly as a result of EU Regulations, new awareness has been raised as to peri-urban population groups and the need to protect and integrate agricultural functions into urban relations, thus rejecting the city "predator" effect over rural areas and looking for antidotes to the massive difference between the value of designated building land and the volumes of ground rent actually raised.

Peri-urban agricultural space has somehow become an autonomous category designated and managed by means of new-generation planning instruments, with frequent intermunicipal scale applications. Protection of rural areas from urban expansion and agriculture enhancement appeared a priority response to the crisis of the productivist agriculture model, as rural areas perform recreational, environmental and landscape protection functions.

On such basis, over the last decade the ecological networks model has proved to be, in Italy as in several other EU Countries, capable of putting biodiversity and landscape at the centre of land planning and management. Most Italian Regions have issued ad-hoc regulations (ecological networks, land use restrictions) and are experimenting innovative planning models for green infrastructure solutions.

Within green infrastructure project-designing, in order to strengthen rural-urban physical connections by removing discontinuity/frailty points, further areas are now identified within ecological networks as ecological corridors or stepping stones (at end-2014, 47 capital towns appeared to be equipped with ecological networks – i.e. three quarters in northern Regions, slightly more than one third in central Regions, and 10% in the Mezzogiorno Area, respectively). The additional areas result from recovery/regeneration of degraded urban areas, abandoned

natural areas at urban margins, but also from protection and management of residual rural areas within urban centres: urban orchards (by now activated in 64 capital towns), vineyards, and olive groves that contribute to defining the urban landscape, ensuring adequate balance between full and empty spaces, past image and modernity signs.

The accomplishment of ecological and green infrastructure networks in rural and urban areas aims to address the increasing fragmentation of natural environments (resulting from uncontrolled development), provide social benefits for recreational and economic benefits, and human health, and compensate the impacts of urbanisation and infrastructures. In this framework, the peri-urban agricultural ecosystem is considered as the largest multifunctional metropolitan green belt, generating essential services linked to primary production services, closure of natural cycles, provision of essential environmental services, and regeneration of landscapes.

In 2014, green areas within Italian cities were on average equal to 2.74% of the territory (over 567 million square meters), namely an average availability of 31.1 square meters per inhabitant. In this framework, 16.1% of municipalities' surface was included within natural protected areas (including Natura 2000 network) while agricultural land was equal, on an average, to 44.3% of capital towns surface.

Perhaps as a result of a new attitude characterising relations with urban areas, a new trend was recorded in 2015 within the agricultural sector, which involved a significant increase in the number of both self-employed and employed workers.

### **§ 3. Addressing urban youth needs**

The demographic framework shows regional differences and highlights an overall decline in young resident population in the Mezzogiorno Area, which has been diminishing yet remains at highest levels also in relation to unemployment rates.

According to latest ISTAT figures, in 2015 Italy's NEETs<sup>1</sup> were approximately 3.4 million in the 15-34 year group and approximately 2.4 million in the 15-29 year group (EU scope), respectively. Youth conditions are also impacted by urban sprawl. The cornerstones of the municipal services system remain anchored to major urban centres, and urban sprawl territories are primarily lacking those public space characteristics that can catalyse collective life and the formation of neighborhood units as socialising and exchange areas. In urban sprawl territories, under-14 youths, whose travelling depends on adults, experience growing detachment from public space, at times with reduced opportunity for outdoor life.

Italy has financed, in collaboration with the National Institute of Health (*Istituto Superiore della Sanità*), initiatives also aimed at countering the high rates of weight problems identified among Italian children compared to EU averages (overweight (22%) and obesity (10.6%)). Furthermore, all initiatives undertaken by Italy's Regions and part of the actions implemented by local authorities

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<sup>1</sup> NEET: Not in Education, Employment, or Training.

(financed by the fund for youth policies administered by the Department of Youth and National Civil Service – *Dipartimento della Gioventù e del Servizio Civile Nazionale* within the Presidency of the Council of Ministers) are aimed at facilitating young people aggregation through cultural/educational activities and dedicated aggregation centres/spaces.

In this context, it is worth indicating the creation (under the supervision of the Ministry of the Interior), within eight municipalities located in Convergence Regions, of community centres (so-called "You & Me" Centres) addressed to youth at risk of delinquency, funded through the "Security for Development – 2007-2013 Convergence Objective" National Operational Programme. A significant phenomenon is the approx. 19% decrease in students registrations at universities between 2008 and 2015, ascribed to several factors: impossibility of bearing university costs (university fees and study instruments); moderate measures implemented to support the right to education (student housing, canteens, libraries); dispersion of students' careers, who do not complete university degree programmes (Viesti, 2016).

Such phenomena are even more worrying as to young populations living in Italy's Mezzogiorno Area and islands, although universities are frequently present in medium-sized cities, often within their historical centres, which should also enable experiencing urban life autonomously.

In this context, initiatives have been promoted at national level with the involvement of the banking sector in order to facilitate younger generations' access to credit. In particular, through the revolving guarantee "Fondo per il credito ai giovani" ("Fund for credit to the young", namely the so-called "Study Fund", whose application scope has been expanded via inter-ministerial Decree dated 19 November 2010), Italy intends to design and enhance policies aiming to increase financial inclusion, now recognised as a primary driver of full social inclusion. The instrument is intended to facilitate access to bank credit by undergraduate and graduate students, for professional and working training and specialisation initiatives. The guarantee is addressed to deserving students and enables granting funds to young people who wish to continue their education after high school by joining university or post-university courses or enhance their knowledge of a language (up to max. EUR 25,000).

Eventually, it is worth noting the worrisome phenomena of brain leaks (both migrants and returnees – in 2014 Italy lost overall 13 thousand graduates) and emigration (101,297 expatriates in 2014 only, 35.8% of whom were 18-34 years old (*Fondazione Migrantes*)).

#### **§ 4. Responding to the needs of the aged**

Italy's aged population percentage continues to grow, and thanks to good quality of life and healthy eating habits, the Country is now second in Europe for life expectancy at birth: 82 years (2014). Also due to the negative natural balance, the GINI Index (over 65,100 under-15 children) has exceeded 140, and most inhabitants are 45-49 years old (ISTAT, 2014).

Population aging implies a marked effect on intergenerational relationships. The current 30.9% old-age dependency ratio (i.e. the ratio between the population aged 65-and-over and working age population aged 15-64 years) will reach 59.7% in 2065. We are witnessing a "new old age" that challenges traditional approaches based on a clear shift from self-sufficiency to non-self-sufficiency, and looks rather as a progressive loss of autonomy. Today, 18.5% of those over 65 (2.1 million people) show total lack of self-sufficiency for at least one of everyday life essential functions. Families including at least one person with functional limitations amount to 11%, but less than 20% of them receive home care services (ISTAT, 2013) provided by the public sector. Families fulfill own care needs by drawing upon own savings or providing themselves care and support to own elderly members, which conflicts with women's presence on the labour market. Growing support to the elderly is mainly provided via private solutions exclusively within the reach of families with above-average financial resources, through the services provided by 364,000 (official) care-takers, approximately 300,000 of whom are foreigners (INPS, 2014). About 534,000 general domestic workers are also present in the Country.

Despite the significant population aging phenomenon, Italian cities are not sufficiently equipped for the wide-ranging and varied needs of their older populations. Italy ranks among the EU Countries with the highest spending on old age needs and lowest spending on families and children's needs (Eurostat, 2015). Numerous resources are spent, but sometimes not efficiently: support to old age mostly consists in monetary supplies (i.e. pensions, disability allowances, etc.) and relatively little in services provision. The construction of an integrated offer in response to the high and growing need for care and support services enables strong recovery in efficiency and productivity and strong improvement in the quality of life of third and fourth age ranges.

Pro-elderly measures, however, are threatened by the financial crisis affecting local authorities (§ 28.) and have been significantly worsening since 2008. Home care is nowadays organised as a national healthcare service included within the essential healthcare levels (so-called LEA – Livelli Essenziali di Assistenza), and broken down into specific services such as: programmed home care (Assistenza Domiciliare Programmata – ADP), integrated home care (Assistenza Domiciliare Integrata – ADI), and home hospitalisation services (Ospedalizzazione Domiciliare – OD). To such end, some Public Administrations (PAs) have undertaken innovative *ad-hoc* policies setting up home care programmes for the elderly, which allow for reduced healthcare expenditure and, at the same time, improved and prompter provision of services. The spreading of smartphones and digital app-based services is further expanding such policies, by improving remote contact and service booking devices, and enabling for dematerialisation of basic diagnostic functions doctor can, at least to some extent, perform remotely. Digital technologies can be of great help to the elderly who are familiar with IT, in the dimension of mobility, health services booking support, and leisure.

Eventually, Italy has experimented, within numerous cities (e.g. Turin, Bologna, Milan, Ravenna, Pesaro) co-housing solutions and multigenerational condos, which have shown multiple advantages in terms of exchange of services and aggregation of purchase demand. Furthermore, the new experimental forms of "social housing" promote active aging and social inclusion of the elderly.

## **§ 5. Integrating gender in urban development**

Article 2 of the Constitution of the Italian Republic stipulates that all citizens have equal dignity and are equal before the law, regardless of sex, race, language, and religion, and establishes the Republic's commitment to removing the economic and social obstacles restricting citizens' freedom and equality. Article 37 recognises that working women have the same rights as men and are entitled to equal pay for equal work, and that working conditions shall also allow fulfilling women's essential function within families. Eventually, in implementation of the ILO Convention No. 143/1975 (ratified by Law No. 158/1981), the Italian Republic guarantees to all foreign workers legally residing in its territory equal treatment and full equality of rights compared to Italian workers.

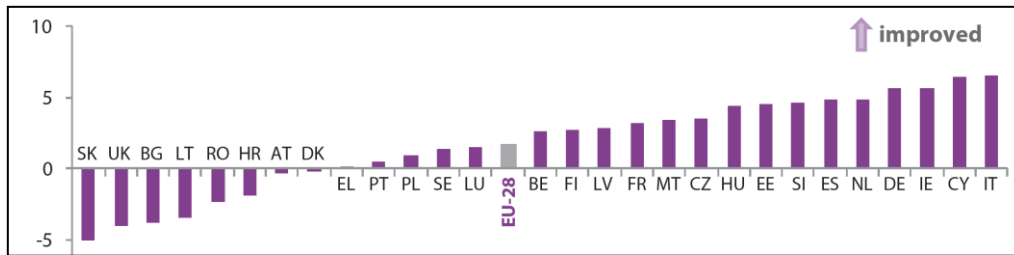
In accordance with the European Gender Equality Index, however, Italy ranks among the EU Countries with the lowest gender equality levels. The results are above the EU average in one sector only – health – thanks to Italian women's longevity. Policies aiming to address gender imbalance have so far been cautious, and progress in the legal field has mainly been promoted by EU directives or resulted from civil society pressures.

The National Code of Equal Opportunities and subsequent laws apply EU directives on equal opportunities and equal treatment in work. The Code defines and prohibits direct and indirect discrimination, and a network of equal opportunities counselors provides legal assistance to women (and other categories) that undergo discrimination. However, no effective measure has so far been carried out against the so-called "blank resignation letters", namely to counter employers' practice to hire young women provided they sign an undated letter of resignation, to be used in order to justify the dismissal in case of their pregnancy.

Persistent pay gap is recorded in Italy between men and women with the same education level. The presence of women in decision-making positions is still very limited, and several measures have recently been successfully introduced to improve the situation. A quota system has been imposed on boards of directors and audit committees of listed companies (starting at 20% and then increasing to 33% by 2015) and boards of directors of non-listed publicly owned companies.

The rules for election of local governments have been amended so as to ensure consistent presence of women. No local government can be composed only of persons of the same sex, although the maximum allowable percentage remains unclear. However, Italy is currently the Country with the highest number of policies introduced to reduce gender inequality and, despite its known delays, it is the EU Country that recorded most significant progress over 2005-2012 (see Table below).

**Figure 1**  
**Scores of the Gender Equality Index, by Member State: 2012 versus 2005**



Source: European Institute for Gender Equality (2015), p. 100

On 28 October 2010, Italy's then Ministry for Equal Opportunities (to date Department for Equal Opportunities) approved the first national plan against gender violence and stalking. In line with relevant EU indications, some local governments made efforts for gender budgeting. Such initiatives are particularly relevant within urban areas, as they introduce methodologies on the use of economic resources by Public Administrations and on the impact of spending decisions on gender policies, also highlighting women-men disparities. On the basis of such disparities, budgeting hypotheses and models are being elaborated on the basis of identified improvement objectives (equality, transparency and support to political action), aware that sustainable development, well-being and quality of life in cities require equal opportunities and gender equality.

## § 6. Challenges experienced and lessons learnt in these areas

The complexity of cities' structure has increased dramatically over the last twenty years due to multiple factors, such as: growth of the population living in cities; urban sprawl; varied and segmented socio-cultural composition of the population; increased number of one-person households and elderly people; education system crisis; traffic congestion; pollution, and poor housing conditions in the absence of adequate investments on public transport, low-cost housing, and suburb areas upgrading.

These phenomena, jointly with productive economy restructuring, pose significant challenges to city governance, which should result in incentives and infrastructure (including intangible infrastructure), as to education system, development of innovative economies, and integrated and cohesive societies.

Cities do not appear ready to either welcome people or go beyond merely ritual forms of integration. The announced "end of the multiculturalist model" has questioned its own validity and capacity in our contemporary society whereby not conceived as mutual recognition of rights

and responsibilities. Furthermore, the ensuing urban management models must be urgently redefined in light of safety emergencies that are challenging several urban organisation aspects.

We cannot state that the several projects launched at central, regional and local government levels, developed over time in favour of the young and the elderly, gender mainstreaming and foreigners have everywhere been wholly successful. Several urban areas are still characterised by cohabitation tensions or, at least, unease although the Italian model of small-sized urban centres ensures widespread perception of good quality of life.

Current complexity requires that any institutional planning should be accompanied by massive collaboration of membership-based voluntary groups to improve the organisation and provision of municipal services. Nevertheless, self-exclusion, marginalisation and social polarisation are typically contemporary urban phenomena which are difficult to counter.

In terms of urban management sustainability, several new-generation territorial governance processes have been undertaken, shaped on the knowledge-evaluation relationship to support sustainable decision-making in which planning is the institutional cornerstone to accompany (at various scales) diversity. The planning models offered by urban planning and environmental laws are no longer sufficient to support the multiple policies that planning has to address, such as: green economy or blue growth; phenomena such as smart cities, internal areas, migration; or to ensure objectives such as: homeland security, "aged" society management via new welfare, public health, and accessibility services; or even to explicitly include the substantial principles of EU orientation as to sustainability, cohesion, equalisation, subsidiarity, cooperation within land use, planning and management of labour market, human capital, cultural heritage, water resources, waste, energy and logistics.

Cities – notably small and medium sized ones – are often unable to adapt to new immigration requirements (e.g. residences and worship places) or to changes in production facilities resulting from globalisation phenomena. Urban-rural areas demand for enhanced quality of life must promote an integrated approach towards sustainable development, by integrating economic, social and environmental aspects of cities with an offer of services that include public and private, as well as individual and collective interests.

In this perspective, planning is taking on governance operational mode. For local and regional authorities, that means aiming to policies and programmes that combine spatial and socio-economic development, by calibrating the potential capital to long-term sustainable use intensity. This lies in: a) restoring the balance between urban system parties by mediating the relationships between social groups and putting an end to conflicts through effective spatial management; b) integrating cities' immaterial and physical aspects; c) redesigning services and their distribution with respect to actual demand volume and characteristics, including via services addressed to multi-ethnic societies.

## **§ 7. Future challenges and issues in these areas (1-5) that could be addressed by a New Urban Agenda**

Italy's key objectives – all connected to territories – lie in employment, research and innovation for relaunching its production system (also at industrial level), as well as climate change and energy, education, and fight against poverty (including cultural poverty). Further "regionalisation" of Italy's Urban Agenda is therefore necessary to speed up the actions related to the three priorities connected to synergistic relationships, such as: i) smart growth – i.e. developing an economy based on knowledge and innovation; ii) sustainable growth – i.e. promoting a more resource-efficient, greener and more competitive economy; iii) inclusive growth – i.e. promoting a high employment economy to foster social and territorial cohesion.

Pursuing such goals requires strong territorial cohesion capacity, proper allocation of human resources, and identification of achieved/achievable objectives through adequate programming and planning. It is necessary to re-elaborate what is widely perceived as a topic anchored to "individual" dimensions (i.e. limited to single buildings or specific populations) within an urban theme. It is absolutely crucial, in this historical phase, to provide responses that enable sharing citizenship privileges with new residents from other EU and non-EU Countries.

An administrative revolution is also required for information, transparency and involvement of citizens to underlie public actions. Investments should be accelerated to ensure adaptation of mobility and IT infrastructure networks, mainly in the following areas identified as priority:

- Support to sectors related to green economy, eco-innovation, low-carbon economy, resources effectiveness and air quality improvement;
- Reduction of energy consumption of production cycles and eco-efficiency, and reduction of primary energy consumption in buildings and public facilities;
- Territory safety (water, geological and seismic risks), and construction, maintenance and re-naturalisation of green infrastructure and ecosystem services;
- Support to smart grids as " low-emission smart cities" infrastructure and smart cities;
- Support to R&D technology and products to cut down emissions and waste during the whole product life (design, manufacture, distribution, use/consumption, secondary raw materials);
- Industrial symbiosis at production district level, by supporting use/repair networks;
- Logistics, intermodal transport, combined transport and sustainable mobility within urban areas.



It a very wide-ranging agenda. For it to work successfully, it is necessary to ensure precise and detailed identification of territories' needs and potentials, also including the greater value provided by good quality urban coexistence. The Agenda requires enhancing the competences of institutions, citizens, and research community in order to build up, at local level, advanced, shared and sustainable public responses, also from a financial point of view.

In this context, the following proposals play an important role:

- Broadening and deepening research on the Italian urban system, in light of its wide-ranging and multifaceted character, by: studying and analysing fragile contexts and subjects; and re-evaluating the territorial and urban significance of demographic trends with respect to age/gender composition of new populations and new poverty phenomena;
- Drawing upon the potentials of Law No. 56/2014 to primarily shift the focus of local and regional PAs on actions aimed at overcoming current – often obsolete – administrative boundaries of municipalities, intermediate bodies and metropolitan cities;
- Adopting a more integrated approach to territorial development policies by identifying the specific nature of urban areas and so-called Inner Areas without introducing artificial separations;
- Acquiring additional and more sophisticated cognitive elements and actions to combat social and spatial segregation, marginality and exclusion, starting from troubled neighborhoods in southern Italy's cities;
- Considering the set of rights and duties as a fundamental matrix for orienting – in the areas characterised by more complex social, demographic and ethnic composition – the re-designing of services and reconstruction of urban spatial balances, and re-weaving of social and interpersonal relations;
- Rethinking the urban space going beyond the system of Identification and Expulsion Centres (IECs), and camps or ghettos for exclusion of poor people and migrants.

## II. Land and Urban Planning: Issues and challenges for a New Urban Agenda

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### § 8. Ensuring sustainable urban planning and design

Urban development sustainability lies among the challenges Italian cities are trying to successfully meet by means of their respective local agendas (as per the goals pursued by Agenda 21 adopted in Rio de Janeiro in 1992). In 2000, the success attained in terms of activation of public opinion and authorities resulted in Italy's Coordination of Local Agendas 21, aiming to exchange experiences of integration of the three relevant aspects – i.e. economic, social and environmental sectors. To such end, an important role has been played over the past twenty years by the "complex programmes"<sup>2</sup> encouraged by the EU and promoted with the participation of both public and private sectors, aiming to counter the decline of degraded areas.

Some of the programmes have been aimed at public housing redevelopment, abandoned industrial areas and deprived urban areas, by introducing (as in the so-called "Contratti di Quartiere" (District Contracts), since 1997) ad-hoc requirements for public participation and involvement of local residents into project-design choices, with tangible results in terms of improved social relations and urban quality, aware that restoration and urban redevelopment require an integrated approach. In other words, a redevelopment intervention cannot be limited to building but shall also be in charge of increasing services and infrastructural resources, and reordering and enhancing all public spaces, including interstitial ones between buildings, road layouts and community spaces.

Such programmes had successive "generations" – i.e. URBAN I and URBAN II, which guided the activities implemented by local authorities (also organised in partnerships) to manage the "greater urban area" (area vasta) transformations. The related financing enabled concretely improving urban development quality in highly industrialised areas (e.g. Turin, Milan and Venice-Mestre) that underwent significant industrial restructuring. Since 2002, with the "Porti e Stazioni" (Ports and Stations) Programme (Ministry of Infrastructure and Transport Decree No. 2522 dated 27 December 2001), specific attention has been devoted to recovery and socio-economic regeneration of dismissed ports and railway areas. Furthermore, Italy has introduced rules and procedures for environmental assessment of programmes, projects and plans<sup>3</sup>, which enable integrating environmental issues in the planning and programming early stages, thus revolutionising several aspects of the professions involved.

Since 2000, urban mobility plans (Piani Urbani della Mobilità – PUM) have been playing a very important role for urban sustainability. After several generations of ad-hoc tools and upgrading solutions (i.e. sustainable urban mobility plans – piani urbani della mobilità sostenibile), urban mobility plans will find, in the strategic plans of the 14 new metropolitan cities, their further multi-

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<sup>2</sup> The set of urban regeneration instruments, adopted by Italy's Ministry of Infrastructure at the beginning of the 1990s.

<sup>3</sup> Legislative Decree No. 152 (and subsequent amendments and integrations) dated 3 April 2006, implementing EU Directive 2001/42/EC.

sectoral and supra-municipal development, also in terms of logistic facilities location. Of major importance is the recent establishment of the Observatory on local public transport, which will allow, among other things, sharing experiences and best practices.

Full sharing of spatial and geographic data and consultation with citizens and stakeholders has now been acknowledged as fundamental to sustainable planning. Some Regions (e.g. Liguria and Tuscany) have adopted own laws on public participation within territorially important decision making, while some local authorities have developed their own stable consultation networks on policies and public actions. With the new discipline on public procurement, public debates have been focusing on major public projects and full transparency of all project-related documentation.

## **§ 9. Improving urban land management, including addressing urban sprawl**

The economic crisis has by now obviously serious dimensions, with an exceptionally lessened construction sector in terms of number of employees, dropped by more than 25% since 2005 (ISTAT, 2014a), and constructions raised – approx. 70% decline in the number of building permits issued over eight years (ISTAT, 2013). However, very intense land urbanisation is still identified in the Country.

Land transformation from agricultural into natural/anthropogenic use remains consistent, compared to the past ten years (Paragraph 2) characterised, till 2006, by marked real estate dynamism. Such transformations still account for approx. 60 hectares per day (ISPRA, 2014) – i.e. over 25,000-ha annual consumption. At national level, consumed soil increased from 2.7% in the 1950s to 7.0% for 2014 (i.e. a 4.3 pp increase). In absolute terms, land consumption has reportedly involved approximately 21,000 square kms, and its main components are: road networks (41%); and buildings (30%) (ISPRA, 2014). Urbanisation dynamics relevance is even more amazing when applied to demographic trends (Par. 1).

Over 2001-2011, the housing stock increased, but only 77% of houses are occupied permanently (ISTAT, 2014b). As a result of the demographic recovery linked to migration flows, a new resident population expresses its social housing demand, to which the private construction sector can only respond by means of State incentives.

Free market buildings are mainly characterised by one-family and two-family houses (i.e. detached and semi-detached houses) that have deeply impacted on land/soil use, resulting in one of our contemporary "metropolisation" dominant characters: urban sprawl and low density urban development – i.e. over 30% of population concentration, with increasingly unsustainable costs at community, environmental and social level. Furthermore, at national level, an overwhelming share of transformation processes of agricultural/natural land (about 40%) involves mobility works, related to major infrastructure projects and construction of local roads to serve "greater urban areas".

In light of the phenomenon intensity, it becomes increasingly urgent to enact public strategies to effectively curb land consumption by proposing policies aiming to drastically limit free soil sealing and support regeneration and redevelopment of existing cities. To such end, *ad-hoc* laws have been promoted at both national and regional level over the last year. Albeit with dissimilar connotations, such laws are jointly aimed at providing tools and policies towards the EU 2050 “zero consumption” goal.

The AC 2039 draft-law on curbing of land use and built-up land reuse (approved on 12 May 2016 by the Chamber of Deputies and transmitted to the Senate) represents a fundamental step to substantiate and provide legal consistency to the implementation of concrete actions for land use containment. Unlike other EU Countries, Italy lacks local taxation devices to ensure ground rent containment and discourage free land urbanisation by leveraging on economic "conveniences". Ground rent remains the most powerful driver of land use; ordinary forms of urban planning taxation (expense and construction costs) have not succeeded in containing the effects produced nor have they recovered adequate quotas for the community.

Measures for support and incentive to regeneration and reuse of existing cities (Paragraph 8) are slowly spreading, with successful experiences attained only in the presence of a consistent and strong local PA action to guide urban processes (Turin, in particular).

## **§ 10. Enhancing urban and peri-urban food production**

Between 1971 and 2010, Italy’s agricultural land used as arable land, kitchen gardens, orchards and permanent crops, meadows and pastures, decreased by 28% (5 million hectares), thus passing from almost 18 million hectares to just below 13 million hectares, namely 41% of Italy’s surface (ISTAT, 2010).

In relation to the need to limit land consumption, notably within peri-urban areas, the issue arises as to primary production satisfaction of food needs at urban level, along with the objective of more advanced environmental education for promotion of a circular economy based on self-regeneration processes. Several initiatives for management of natural parks include agricultural activities compatible with ecosystems protection. Ten provincial capital cities host agricultural parks within protected areas. Multifunctional farms are expected to couple the ability to generate – besides assets derived from animal breeding and vegetable crops – also services for environmental care, hospitality, catering and welfare addressed to the territory.

In numerous cities, in different ways, authorities decided to allocate a portion of public property uncultivated areas to creation of urban orchards. Overall, in 2013 57 municipalities utilised urban orchards (Orti Urbani) to manage green areas, with strong regional concentrations, such as: almost 81% in northern cities, fewer than two out of three in central cities, and only in Naples, Andria, Barletta, Palermo and Nuoro as to the Mezzogiorno Area, respectively (ISTAT, 2014). Italy hosts about 18 million urban gardens. Municipalities are looking for new areas to be revived and new city farmers. Initially, urban gardens were assigned to retired senior citizens and were located in

remote and underserved areas. Today's approach is instead to encourage them everywhere and within all age groups.

Urban Orchards (Orti Urbani), namely quality agriculture places, were born to promote horticulture for food purposes in urban and peri-urban centres and spread non-standardised non-speculative agriculture for communities. Compliance with single places' specific diversity and related practices enables recovering a direct relationship with lands and giving rise to an ethical economy, which is also the best guarantee to prevent further land consumption and human alienation. Therefore, on the one hand, the Orti Urbani represent an important recovery tool offered by uncultivated green areas, and, on the other, perform a protection and ongoing monitoring function over the areas recovered.

With regard to primary production in urban and peri-urban areas, it is worth noting the so-called "0-km agriculture" (agricoltura a Km zero), based upon an eco-sustainable consumption philosophy: farms cater directly to consumers/residents of nearby urban centres, allowing them to buy their products without having to go through intermediaries. The initiative counters the globalisation trend, as 0-km products cannot by definition "travel" long distances and cannot exceed 70 kms from their respective production places. The benefits of such market form are economic, cultural and environmental, as well as in terms of product quality and sustainability, and support to local communities.

## **§ 11. Addressing urban mobility challenges**

Mobility demand is the main planning variable in the transport sector. It expresses individuals' travelling requirements so as to fulfill their business, leisure, study needs, etc. via vehicular and non-vehicular transport means, and is directly linked to location (development of production, service and residential activities), economic (per-capita income growth; transport cost trends) and structural (demographic/employment changes) factors. In the wake of recent trends, multiple initiatives and activities are currently in progress within the EU.

A complex series of interventions are being implemented in Italy to reduce traffic congestion, accidents and related consequences, ensure citizens' welfare, support the economy, and preserve the environment, by ensuring effectiveness of local public transports, which involve approximately 1,150 public and private companies (i.e. urban services (26%); extra-urban services (55%), both (19%)).

Following Legislative Decree No. 422/1997 (through which the State entrusted local public transport responsibility to regional and local authorities), the focus has now shifted onto competition and market, by envisaging transport services entrusted via tender(s) and service contracts to overcome historical difficulties affecting the financial sector, and increase passengers and traffic proceeds, traditionally limited to a small percentage of actually borne costs.

As to local public transport, several Regions have invested significant shares of their own resources (besides State resources) to renew their fleets of buses, railway and underground trains, strengthen local tram and underground networks, and develop technologies for on-board checks, thus reducing existing deficits and ensuring responses to the constantly increasing transport demand recorded over recent years.

Law No. 244/2007 explicitly recognised the active and conscious role of consumers by providing a public services charter (Carta dei Servizi) obligation to regulate relations with users' representatives and ensure periodic performance monitoring.

In 2011, the Authority for Transport Regulation was established – i.e. the missing link in the relevant regulatory framework – which, aiming to market competition, requires a third party to regulate market participation.

The definition of new guidelines for sustainable urban mobility plans (notably addressed to metropolitan cities and municipalities with over 100,000 inhabitants and local PAs and stakeholders) triggered a lively urban mobility planning process aimed at overcoming the difficulties identified. Innovative concepts have been introduced, such as: participation, integrated and cross-sectoral approach, evaluation and measurement of plans' actual effects also in terms of air quality improvement, reduction of GHG emissions and general environmental impacts (Chapter III). The actions required at local level should be directed to: developing integrated and collective transport systems; increasing commercial speed; developing commuter and cycling systems; introducing innovative shared mobility systems and environmentally friendly transport means; progressively renewing fleets; and rationalising economic, financial and management sustainability of interventions.

Since 2012, sector efficiency and programming has been entrusted to the ad-hoc national fund for State financial participation in local public transport costs (including railway transports). The Fund, intended for Ordinary Statute Regions, received resources corresponding to approx. 75% of sector annual requirements (i.e. about EUR 5 billion per year).

Fund allocation and expenditure is subject to services rescheduling according to annually verified criteria of appropriate efficiency, effectiveness, and economic indicators to stimulate services that can increase the pre-fixed minimum number of carried passengers.

Collection and monitoring of results is entrusted to the National Observatory for Public Local Transport, established within the Ministry of Infrastructure and Transport, which has peer nature and involves the central, regional and local level.

## **§ 12. Improving technical capacity to plan and manage cities**

Improving city planning capacity and management techniques does not just lie in more efficient technological infrastructure but also in an institutional design perspective, for strengthening and improvement of institutions and individuals' skills.

The Habitat III Agenda focuses on urban governance, capacity building and institutional development, with reference to: decentralisation, maximum increase in actors involved, and emphasis on participatory aspects. Italy has certainly invested in decentralisation but must still refine its tools to promote citizens' active participation. Dialogue between local administrations and economic operators within urban planning and construction projects with participatory aspects impacts on major decisions only rarely, being usually limited to individual projects of particular interest to relevant PAs (Chapter IV).

The capacity problem involves technical aspects and administrators' availability to open up to sharing, transparency and participation challenges (via open data and open government systems), which are essential tools for preventing corruption.

By virtue of the subsidiarity principle, decentralisation has enabled small municipalities to become autonomous in terms of urban planning and management. Widespread training and supply of skilled administrators and technicians is now necessary. Activating specific urban transformation operations inevitably involves the ability to create contingent and non-hierarchical connections between different fields and levels of action, and revitalises contexts through tools and resources also belonging to separate – and often not interactive – spheres of action.

Several EU initiatives (e.g. Smart Cities & Communities project-design platform) can provide a model for PA innovation, procurement procedures, and simplification and transparency actions. Within the Digital Agenda, accessibility of IT systems and smart inclusion are the founding principles of the National Plan on Smart Communities<sup>4</sup>, and activities for standardisation, planning and regulation of communities. Hence, public responsibility in generating new knowledge should be raised through research and training engagement with the public but also through proactive rethinking of disciplines.

Today, functional expertise at all urban government levels is not always selected according to proven criteria. Furthermore, in the face of a prevailing presence of architects, some areas require economic and financial professionals experienced in negotiating – such lack makes it difficult for authorities, politicians and technicians to tackle strategic issues related to the need for change. Positive results appear possible whereby universities and urban centres collaborate through a more complex system of exchange. With reference to the link between scientific output, widespread knowledge and expertise, it is now possible to strengthen an essential lever of territorial innovation within structural shortage of resources.

The relationship with universities is very important also within smaller urban centres in order to provide relevant administrations with knowledge and skills acquired through research. Small towns' public contexts may have little or no international experience in terms of urban planning and management, notably at EU level; therefore, close relationships with the research world can be a key remedy. Equally important are the contributions provided by professional associations and public institutions in terms of urban planning, which promote meetings and provide all Public Administration spheres (from central to local authorities) with legislative renewal proposals,

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<sup>4</sup> Law No. 221/2012 – “Digital Agenda”.

technical contributions and opportunities for debate and exchange of expertise and experiences inspired to common interest and principles of good governance of territories for life quality and genuinely sustainable development perspectives.

### **§ 13. Challenges experienced and lessons learnt in these areas**

As mentioned, since the 1990s an integrated approach has emerged and addressed, in the first place, disadvantaged neighbourhoods through a series of physical and socio-economic regeneration actions (URBAN I 1994-1999; URBAN II 2000-2008). Furthermore, additional programmes, the so-called "complex programmes" (so-called Priu, PRU, Contratti di Quartiere, PRUSST) were also put in place. The latest generation of complex programmes aims to promote innovative urban and regional development methods focusing on the role of cities as catalysts of sustainable regional networks for competitiveness and cohesion (SISTeMA – Porti & Stazioni – PUM). Besides, additional programmes and initiatives have been so far implemented to activate multi-sectoral intervention policies for support to growth and employment, with particular attention to "territorial logistics."

All such experiences have enabled introducing good action practices, stimulating innovation and supporting territories' propensity to networking the different action levels involved and connecting the various representatives of economy, society and culture, via combined territorial transformations and infrastructure systems. In terms of infrastructure projects and their driving and support effects for territorial revitalisation, Italy's Government announced a comprehensive review of project initiatives (yet to be set up) in order to focus interventions on closer integration with urban reality.

Stringent rationalisation of infrastructure upgrading will produce significant results in terms of use of resources and virtuosity on territories. Also the way of conceiving large infrastructure can obviously contribute to "respecting" lands. Moreover, newly designed infrastructures for contemporary territories can contribute both to environmental protection and creation of new landscapes and public spaces integrated with neighbouring functions. New urban policies and the new Urban Agenda require that also infrastructure should contribute to developing new opportunities in which project-designing and implementation care should express consideration for citizens and their needs.

Altogether it is necessary that all the parties contributing to creation, transformation and management of urban spaces are committed to duly acknowledging the complexity of the habitat(s) in which they operate and undertaking consistent actions. The aim is to ensure integration between relevant subjects, duties and powers – traditionally very sectoral – and often deeply separated within our Country's public action. In this sense, by promoting sustainable urban development through exchange of experiences and dissemination of knowledge between EU cities, the *URBACT* Programmes for European Territorial Cooperation constitute an important



learning opportunity for local institutions, with positive effects on their urban planning and management skills.

The complexity of policy-making processes and administrative system organisation in the face of a necessarily fast evolving institutional framework can be confusing and time consuming. In this framework, institutional reform processes could become an opportunity for transformation of urban centres and territories, thanks to adequate exchange between research, training and institutional innovation. This would allow learning from current delays by drawing upon relevant trends and training the technical staffs involved.

As in other areas, also the mobility sector encompasses service and sharing economy activities that can innovate traditional sectors, also at local economy scale. As clearly highlighted by the experiences of agricultural parks and urban gardens, peri-urban areas may potentially represent a market in which fresh agricultural products can be placed (thus drawing upon the economic benefits of a short value chain) as well as contribute to environmental and social sustainability. Such new perspective can lead to the creation of jobs, not only in the agriculture sector but also in the leisure and hospitality sectors (agriturismi (holiday farmhouses) located at city outskirts).

## **§ 14. Future challenges and issues**

As said, Italy's experience of strong planning decentralisation had to face the challenge of ensuring very extensive coverage of qualified staffs throughout the Country in the presence of significantly reduced central and local Pas' budgets. The resulting key "lesson" is that a contingent problem such as scarcity of resources will result in far greater damage to the community than the investment required to train a new generation of urban planners and managers both at private professionals level and within PAs. Suffice it to think about: ruinous damage caused by privatisations to public finances and communities; environmental disasters caused by insufficient protection of environmentally fragile areas and inadequate oversight and suppression of unauthorised building activities; and contribution to global warming due to lack of smart and sustainable solutions to urban expansion and regeneration processes.

Another "costly" lesson is that lack of due consideration to planning and sustainable development results in irreversible damage to the areas involved. In this regard it is worth recalling phenomena such as excessive construction activities along coastlines, landscape destruction, and loss of evidence of national historical-artistic heritage. Based on urban sprawl processes, ongoing conurbations require adequate governance through appropriate institutional and planning tools, and correct supra-local vision which confirms and reinforces the need for adequate governance models. In light of the identified lack of resources, it seems necessary to bring out the demand for institutional change well beyond the management and bureaucratic aspects that most often prevail.

Besides a "rolling agenda" that should turn into consistent planning and control instruments, the real problem seems to lie in citizens involvement, and their collaboration and participation in the

definition and implementation of objectives. A further problem lies in the transfer of knowledge to citizens as to real possibilities and exit from an asymmetric information society. Even so, a renewed relationship between local institutions and universities becomes the platform for activating the redefinition of territories and inner relationships.

Recognition of contexts highlights the value of Italy's polycentric system and the profound differences in metropolitan urban phenomena linked to diverse urban situations, multiple kinds of demands from citizens and enterprises, and different institutional behaviours related to social conditions and cohesion practices. Metropolitan fragilities are more or less pronounced, but similar in representing urban life unease.

Cities attract and produce: they are the lever for the future. Enhancing existing and potential resources is the inescapable aim of a well-needed national urban agenda with defined, measurable and monitorable objectives. In this context, the following suggestions play an important role:

- Emphasising urban planning validity and effectiveness by approving an *ad-hoc* national law as per new Article 117 of the Constitution (which entrusts the State with exclusive legislation over general/common provisions on land management and governance), while promoting understanding between State and Regions entrusted with legislative powers for land planning.
- Approving the law on land consumption reduction passed by the Chamber of Deputies (AC 2039), thus increasing infrastructure costs for building on free land versus interventions on compromised land.
- Establishing a national urban regeneration strategy that coordinates the action of all relevant central administrations so as to encompass specific initiatives addressed to suburbs and manage already set up programmes (*Piano Città* (City Plan) 2012 by the Ministry of Infrastructure and Transports; Plan for urban degraded areas as per Stability Law 2015, and Plan for urban peripheries as per Stability Law 2016, both issued by the Presidency of the Council of Ministers), also based on current best practices and research experiences.
- Establishing a set of indicators on urban qualities that enable engaging citizens in the understanding and implementation of public policies, building an information system to constantly monitor National Urban Agenda implementation based upon an open data strategy.
- Enhancing PAs capacity of enabling private entities by substantially improving their skills through training and upgrading of technical equipment and administrators, staff turn-over, and greater investment in planning processes by ensuring efficiency without indiscriminate cost cutting, and permanent dialogue with citizens and stakeholders on city issues.

- Aiming at progressively bridging the gap in the delivery of public transport infrastructure within Italian cities by recovering resources to invest through ongoing project review and financing of suburban railways with new investments for enhancement of rail transport at regional scale and with innovative methods – e.g. proceeds resulting from extra fees levied on most polluting vehicles along urban sections of motorways.
- Within the urban transport sector, placing the intermediate and short-term 50 quota target between cars and other transport means by promoting sustainable mobility (also through creation of bike lanes and a national cycling master plan as in Germany) and mobility info.
- Encouraging more responsible behaviours and conducts for road safety, and road maintenance interventions also for pedestrians. Promoting electric mobility.
- Giving way to smart cities and communities monitoring system by applying a holistic approach that takes into consideration, as main factors for classification of projects and evaluation of results: *a)* smart communities thematic dimensions related to the conceptual framework of the BES Project (i.e. equal and sustainable well-being), as developed at urban scale (UrBES); *b)* assessing the orientation of one or more principles of the Charter of Smart Communities by considering some key principles, such as: transparency, simplicity, accessibility, inclusion, participation and environmental sustainability; *c)* identification of driving forces to attain the objectives pursued in terms of enhanced smartness: use of innovative technologies; social innovation initiatives; institutional planning and regulation.

### III. Environment and Urbanization: Issues and Challenges for a New Urban Agenda

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#### § 15. Addressing climate change

In accordance with international commitments and related EU programmes, Italy is endeavoring both in terms of climate change adaptation and mitigation, with specific attention to the objectives pursued by the UN Agenda 2030 for sustainable development and UN Paris COP 21. Together with the EU, Italy has taken on ambitious commitments to attain GHG emissions reduced by 40% in 2030 and 80% in 2050, respectively. This requires a rapid shift from a linear economy into a circular economy characterised by balanced carbon emission and absorption levels.

On 16 June 2015, Italy adopted the "National Strategy on Adaptation to Climate Change", aimed at: minimising risks; protecting people's health, welfare and assets; preserving the Country's natural and cultural heritage; and maintaining or improving natural, social and economic systems' resilience and adaptability. In line with the Paris Agreement guidelines, Italy's is now designing national and local adaptation plans. A "National Observatory" composed of regional and local representatives is expected to be established in order to identify priorities and monitor implementation of adaptation actions. Furthermore, a "permanent forum" is expected to be activated to promote information and training, and foster citizens and stakeholders' decision-making skills.

As far as mitigation is concerned, between 1990 and 2014, GHGs dropped from 521 million to 417 million tonnes CO<sub>2</sub>eq, thus decreasing by 20%, thanks to measures and programmes aimed at promoting renewable energy and energy efficiency. Greatest progress has been made in the electricity sector through RES incentives. As to efficiency, despite the progress made in the residential sector, ample room for improvement remains. Active instruments have been devised to support redevelopment of public and private buildings (e.g. Ecobonus; programme for central PAs; thermal counters) and energy saving within production cycles (white certificates).

In 2011, Italy adopted the National Renewable Energy Action Plan (NREAP),<sup>5</sup> which complements the two binding targets on energy consumption from RESs set for Italy by Directive 2009/28/EC (17% and 10% of gross final energy consumption from RESs on overall energy consumption and transport sector consumption, respectively) with two non-binding targets for the electric and thermal sectors (26.4% and 17.1%, respectively, of consumption covered by RESs). In 2013 the National Energy Strategy was approved.

Great attention has been paid at national level to fully implement the mechanisms of the European Union Emissions Trading Scheme (EU ETS), whose proceeds today constitute the main financing instrument of environmental and climate change policies primarily implemented within urban areas.

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<sup>5</sup> Italy's Legislative Decree No. 28/2011.

In Italy, 3,586 municipalities (overall 39,386,460 inhabitants) signed the Covenant of Mayors, and 3,247 presented their respective Sustainable Energy Action Plans (SEAPs). Rome, Venice and Milan have joined the C40 network, namely the network of major cities for climate change.

Finally, under the “100 Resilient Cities (100RC) Programme”, sponsored by the Rockefeller Foundation in 2015, the cities of Rome and Milan have been selected and entrusted with the definition of their respective strategies in favour of urban resilience, not only at environmental level, but also at social and economic level. In particular, it is worth highlighting the virtuous instance of *Bologna BLUE AP* (Bologna Local Urban Environment Adaptation Plan for a Resilient City).

## § 16. Disaster risk reduction

Worsening climate crisis and recurrent extreme weather events demand an urgent national strategy to counter increasingly relevant geological risks in terms of damage and victims caused.

Within Italy’s natural risks, landslide and flood risks prove to exert – along with seismic risks – a very high socio-economic impact. Italy’s hydrogeological risks are the highest in Europe. Currently very high costs are also bound to increase, as the ongoing progressive rise in urbanisation and occupation of increasingly large areas for human activities are multiplying the areas whose assets are at risk. Italy, however, has adopted an integrated and multidisciplinary strategy for Disaster Risk Reduction (DRR). The hydrogeological balance plans (*Piani per l’Assetto Idrogeologico*) implemented in the early 1990s were complemented by water management plans (*Piani di Gestione delle Acque – PGA*) and flood risk management plans (*Piani di Gestione del Rischio di Alluvioni – PGRA*). Strategic importance is acknowledged to integrated management of territories and new more efficient governance models. Each river basin district will rely upon permanent observers to manage own water resources, and address also extreme events related to climate change.

Italy’s recent engagement has enabled restarting a new multi-annual planning to counter hydrogeological risks, drawing upon three levers: *i*) unblocking pre-2014 interventions; *ii*) financing the *Piano Stralcio* for metropolitan areas; *iii*) implementing the 2016-2020 National Plan.

The pace change characterising investment planning has resulted in targeted modernisation of rules<sup>6</sup>. Introduced to rationalise and simplify the system of river basin districts and old river basin authorities, and enacted to limit soil consumption, Law No. 221/2015 aims to progressively curb soil sealing phenomena.

In full compliance with relevant EU directives, the regulatory evolution<sup>7</sup> resulted in “integrated actions”, simultaneously aimed at reducing geological risks and protecting ecosystems.

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<sup>6</sup> Law No. 221 dated 28 December 2015.

<sup>7</sup> Law No. 164 dated 11 November 2014.

Furthermore, *DPCM* (President of the Council of Minister Decree) dated 28 May 2015 identified procedures and criteria for defining the lists of measures to be financed, and expressly granting priority to the financing of integrated actions versus other types of interventions<sup>8</sup>.

Italy has undertaken several actions for implementing the Hyogo Framework for Action (2013-2015) – i.e. promoting a DRR<sup>9</sup> national strategy through a DDR national platform and local government activities for the "Making Cities Resilient" campaign. Local authorities' wider participation has been pursued through *ANCI* (National Association of Italian Municipalities) and regional administrations within the DDR national platform. Furthermore, Law No. 225/1992 (which established the National Service of Civil Protection) has been updated as per Law No. 100/2010, entrusting territorial authorities (notably regional authorities) with greater responsibility as to disaster prevention and post-disaster recovery.

Through *ad-hoc* policies for preventing and reducing disaster risks, Italy aims to enhance the application of rules ensuring that other policies are consistent with risk maps and risk reduction programmes. Via Legislative Decree No. 49/2010, Italy implemented the Floods Directive (2007/60/EC)<sup>10</sup>, also drawing upon existing regulations and instruments related to river basin management plans.

The central role acknowledged by latest regional urban planning laws to sustainability objectives and seismic risk reduction paves the way, within the sustainable development strategy<sup>11</sup>, to more effective integration of risk analysis within land management.

## § 17. Reducing traffic congestion

In Italy, people and goods mobility mainly takes place along roads, with obvious negative externalities throughout the Country at environmental, social and economic level, and serious repercussions notably in urban and metropolitan areas, where vehicular traffic congestion strongly impacts on the quality of the environment and human life.

Numerous actions have been undertaken by the Government starting from the mid-1990s to reduce urban traffic and pursue sustainable mobility. To date such actions have enabled co-financing 576 interventions (333 of which are still in progress) in favour of 169 local authorities and other institutions. These activities are broken down into:

- Promotion of Mobility Management activities;
- Management of national co-financing programmes addressed to local authorities;

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<sup>8</sup> *DPCM* dated 18 February 2008.

<sup>9</sup> Disaster Risk Reduction.

<sup>10</sup> Legislative Decree No. 49/2010; Legislative Decree No. 152/2006; *DPCM* dated 29 September 1998; *DPCM* dated 27 February 2004.

<sup>11</sup> *CIPE* Deliberation dated 2 August 2002.

- Management of Programme Agreements with Organisations, Initiatives and Associations;
- Participation in technical tables and working groups;
- Participation in EU initiative programmes.

Mobility Management was introduced in Italy in 1998<sup>12</sup> and provides for a Mobility Manager within companies and public bodies (in charge of the plan for employees' home-workplace commuting) and an Area Mobility Manager within municipalities (for support and coordination of Mobility Managers operating within enterprises and public bodies).

Among national co-financing programmes addressed to local authorities, as said, the Fund for sustainable mobility in urban areas<sup>13</sup> has been most recently introduced for co-financing of several interventions aimed at reducing vehicle traffic in urban centres, expanding the fleets of local public transport services, renovating vehicle fleets with low-emission vehicles, and promoting cycling and sharing mobility. In particular, between 2007 and 2011, 279 interventions were funded within 106 municipalities.<sup>14</sup>

Within Programme Agreements with Organisations, Initiatives and Associations, it is notably worth mentioning the 2005 stipulation of a programme agreement upon municipalities' initiatives for car sharing (*Accordo di Programma con l'Iniziativa dei Comuni per il Car Sharing (I.C.S.)*), aiming to develop and implement, throughout the national territory, car-sharing services complementary to local public transports. The above Agreement (signed by 40 local authorities) has contributed to the activation of car sharing services in major metropolitan areas, meeting the needs of more than 25,000 users, with over 600 cars and more than 400 car parks throughout the Country.

Italy's Ministry of the Environment is involved in organising the annual European Mobility Week (EMW), promoted by the European Commission, with the aim to encourage citizens to use transport means other than cars, and has participated since 2010 in the European Platform on Mobility Management (EPOMM), composed of EU national PAs engaged in promotion and development of sustainable mobility and Mobility Management enhancement.

## § 18. Air Pollution

EU policies and regulations adopted since the 1980s have positively impacted on the levels of air pollutants, yet some problems persist throughout the EU, including Italy. In particular, although the limits prescribed by regulations have been progressively met throughout the Country as to benzene, sulfur dioxide and carbon monoxide, PM10 and PM2.5, nitrogen dioxide (NO<sub>2</sub>) and

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<sup>12</sup> Inter-Ministerial Decree dated 27 March 1998.

<sup>13</sup> Law No. 296/2006.

<sup>14</sup> [www.gimsambiente.anci.it](http://www.gimsambiente.anci.it)

ozone limits are still exceeded in wide territories, while benzo(a)pyrene and heavy metals limits are exceeded more moderately.

The above causes are common to those identified in the rest of Europe – i.e. emissions arising from transport and combustion of civil use biomass. Typically Italian is the high atmospheric stability that characterises some areas (notably within the Po River Basin) and favours intensified levels of both air pollutants and concentrations monitored at ground level, notably particulate matters.

As to Italy's actions implemented to counter air pollution, it is worth mentioning the path for strengthening the national recovery measures complementing those undertaken at regional level. Furthermore, the coordination of regional activities has been strengthened through the establishment of a Committee composed of representatives from Regions, the Ministry of the Environment, the Ministry of Health, and relevant national technical bodies (institutionalised since 2010 with the implementation of Directive 2008/50/EC) for elaboration of guidance and guidelines aiming to ensure joint examination of relevant issues. Italy, moreover, has set up a path for confrontation between all ministries relevant for the sectors producing air emissions.

On 19 December 2013, an agreement was signed for coordinated and joint adoption of measures for air quality within the Po River Basin by the Ministers of: the Environment; Infrastructure and Transport; Economic Development; Health; Agricultural Policies; and the Regions and Autonomous Provinces of the Po River Basin. The Agreement provides, among other measures, for: development of legislative proposals aimed at reviewing systems for support to energy requalification of buildings, introduction of systems to promote civil use biomass boilers with low environmental impact; identification of good practice guidelines in the agricultural and transport sectors; upgrading of urban mobility plans; and preparation of studies related to reviewing of speed limits for passenger and freight vehicles.

On 30 December 2015 a Memorandum of Understanding (MoU) was signed between Italy's Ministry of the Environment, the Conference of Regions and Autonomous Provinces, and the National Association of Italian Municipalities (*ANCI*) to define and implement uniform measures at river basin scale (short and medium term) for air quality protection and improvement and reduction of GHG emissions, with priority acknowledged to metropolitan cities. The MoU harmonises, throughout the Country, the timing and contents of urgent measures not to exceed PM10 limits, and promotes additional measures, such as: dissemination of agriculture good practices to reduce ammonia emissions resulting from nitrogenous fertilizers or livestock; and support measures and subsidies for public transport users.

## **§ 19. Challenges experienced and lessons learnt in these areas (15-17)**

The National Adaptation Strategy plays a key role so as to ensure basic services to urban populations. The Strategy identifies, among Italy's main vulnerabilities: pressure on water



resources; hydro-geological balance changes; desertification; forest fire risks; droughts; river floods and coastal erosion.

Its position at the centre of the Mediterranean area strongly exposes Italy to erosion phenomena aggravated by sea level rise. Moreover, most urban development actions have taken place along coastal areas, increasing the number of people at risk. Land management actions resulted in less-than-optimal location choices which increased the number of risk factors characterising the Country, such as: hydrogeological instability; floods; coastal and soil erosion; and desertification.

Urban areas are particularly exposed to other weather events that have intensified in recent years, such as heat waves with effects aggravated by the scarcity of green areas and trees and by the prevalence of paved areas, with strong consequences on people's health. Exceptionally heavy rainfall in urban areas meets a predominantly sealed soil which strongly obstacles the outflow of controlled waters, thus aggravating flood effects. An increasing trend of overall flood damage was recorded in Italy between 2008 and 2014 (ISPRA, 2015)<sup>15</sup>, and weather-climate anomalies will negatively impact on water supplies.

Intense urbanisation actions implemented according to criteria that do not take account of future climate scenarios result in high financial, economic and social adaptation costs. Cities are the privileged place for dissemination and use of renewable energy and energy efficiency measures at system level, through reorganisation of urban functions and services.

Hydrogeological risk reduction requires the implementation of river basin plans (*Piani di Bacino*) and the application of tools such as "River Contracts" (*Contratti di Fiume*) according to new planning criteria for sustainable relationships of matter, energy and ecosystems between cities and agricultural/natural areas.

The activities carried out by Italy to reduce vehicular traffic congestion and favour sustainable mobility development allowed devising, at municipal scale, multiple types of interventions capable not only of limiting the environmental impacts of the transport sector but also improving the quality of life and living conditions in urban environments, shifting the focus from cars to persons, with special attention devoted to most vulnerable people such as children, the elderly and the disabled. In particular, interventions co-financed by the Ministry of the Environment have allowed municipalities to implement urban mobility policies identified within local land management plans, contributing to the reduction of pollutants and GHG emissions, and the spreading of a more conscious sustainable mobility culture.

An *ad-hoc* app has been devised to evaluate the environmental effectiveness of sustainable mobility actions – i.e. the *GIMS (Gestione degli Interventi di Mobilità Sostenibile)* web platform (aimed at managing sustainable mobility operations) initiated in 2011 in collaboration with ANCI – *Associazione Nazionale Comuni Italiani* (National Association of Italian Municipalities) for efficient and effective monitoring of co-financed interventions. In particular, besides allowing for

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<sup>15</sup> Environmental Data Yearbook (*Annuario dei Dati Ambientali*) – 2014-2015 Edition –

[www.isprambiente.gov.it/it/pubblicazioni/stato-dellambiente/annuario-dei-dati-ambientali-edizione-2014-2015](http://www.isprambiente.gov.it/it/pubblicazioni/stato-dellambiente/annuario-dei-dati-ambientali-edizione-2014-2015).

administrative and accounting monitoring and geo-localisation of interventions, the *GIMS* web platform enables assessing the environmental effectiveness of single interventions via standardised calculation methods for estimating decreases in pollutants and GHG emissions, and fuel consumption. Such assessment provides a valuable support tool to Public Administrations decision-making and policy-making processes so as to reduce urban traffic and develop sustainable mobility.

The 2016 establishment of the national Natural Capital Committee – which places Italy among the first few Countries legislating in this direction – requires coherent actions based on constant monitoring of Italy's overall environmental value among the key assessment elements of plans and projects.

## **§ 20. Future challenges and issues in these areas (15-17) that could be addressed by a New Urban Agenda**

In such a framework, the following proposals become relevant:

- Adopting the new National Strategy for Sustainable Development to replace the 2002 strategy, with the necessary emphasis on cities' role and in close connection with the Urban Development Agenda. In addition to environmental objectives, the new Strategy must include also social and economic objectives as provided by the Sustainable Development Goals (SDGs) of the UN Agenda 2030, in implementation of 11 goals and other prominently urban-related objectives. For it to be effective, the new Strategy must directly involve cities and all relevant civil society actors, starting with the recently established National Alliance for Sustainable Development (*Alleanza Nazionale per lo Sviluppo Sostenibile – ASVIS*).
- Implementing the national strategy on adaptation to climate change in cities by: increasing green spaces and street trees; creating non-paved pedestrian areas; constructing rain gardens to favour rainwater outflow, and recycling them for non-potable uses; and developing new forms of management of water supply systems.
- Contributing to the attainment of the SDGs related to climate change and its impacts (SDGs: 13 and 11.b) to build resilient and sustainable infrastructure with clean and environmentally friendly technologies (SDGs: 9.1 – 9.4).
- Integrating climate change measures with measures addressed to reduce disaster risks and protect cultural heritage.
- Implementing the National Energy Strategy, aligning it to the European Roadmap 2050 for economy decarbonisation and Energy Union Package in implementation of Paris COP 21

agreements, through definition of the National Climate and Energy Plan. In order to attain the level of resilience required by the EU Programme, it is necessary to overcome the rigidity of the current electricity supply system built upon centralised production from fossil sources, by increasing energy from RESs (80% reduction of CO<sub>2</sub> emissions by 2050) and improving energy efficiency through a local smart grid connected to national, northern European and Mediterranean networks, based upon coordination between State, Regions and local authorities. This could allow for that mix of sources necessary to ensure supply continuity even in the face of market turbulence and climate variability. The creation of an urban ecosystem conducive to energy transition may be even more effective than incentives.

- Implementing the *Metro* NOP related to the 2014-2020 programming cycle as an essential tool to support the transition towards a low-carbon economy (Objective 4 of EU Cohesion Policy). This means promoting eco-efficiency and reducing primary energy consumption in buildings and public structures belonging to municipalities by renovating existing buildings/structures and constructing “smart” ones. The *Metro* NOP priorities include reducing energy consumed by public lighting networks (e.g. automatic control systems) and enhancing sustainable mobility via interchange infrastructure and hubs, renewal of rolling stock, smart transport systems, and development of necessary services to favour the use of environmentally friendly means.
- Developing a National Action Plan for oil free zones provided for by the environmental section of Stability Law 2016, in order to contribute to creating sustainable, resilient, and energy self-sufficient urban communities, encouraging those cities that will autonomously pursue most advanced and ambitious objectives.
- Supporting cities in the implementation of priority sustainable mobility actions by implementing the national experimental programme for home-school and home-work sustainable mobility introduced by the environmental section of Stability Law 2016, which provides for funding of projects (designed by one or more local authorities for territories exceeding 100,000 inhabitants) aiming to promote and encourage sustainable mobility for systematic home-school or home-workplace commuting, in line with national and EU targets for reducing GHG emissions from transports.
- Developing a new Mobility Management standard aimed at updating the contents of Ministry of the Environment Decree dated 27 March 1998, and further promoting the Mobility Manager role as a strategic figure for support to decision-makers in planning, programming and development of interventions and sustainable mobility policies within local authorities, enterprises, public bodies, schools and universities.

## IV. Urban Governance and Legislation: Issues and Challenges for a New Urban Agenda

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### § 21. Improving urban legislation

Article 117(3) of Italy's Constitution entrusts territory management and governance both to State and Regions. As such, it is Regions' current responsibility to legislate, except for definition of fundamental principles, which is instead State task.

The relations between State and Regions tasks are bound to change as per the constitutional reform, due to come into force in October 2016 whereby confirmed by an ad-hoc referendum. The new Senate would be in charge of: representing local authorities, participating in legislative functions, assessing public policies' and Public Administration activities, and reviewing EU policies impact on territories. The State would maintain exclusive legislation of general/common provisions on land management and governance, while Regions would legislate on own territorial planning and management activities.

Regions have so far produced standards able to change planning instruments and assumptions, yet they have impacted on no legislation on property and, only to a very limited extent, on general interest issues such as environmental, landscape and cultural heritage (State task). A thorough reform of the national regulatory framework on land governance is clearly required, but it is not mature yet. The latest proposal by the Minister of Infrastructure and Transport (i.e. more general planning principles and patterns) has raised broad consensus but is not yet submitted to Parliament.

At general level, the national urban planning system is still the same as in mid-XX century. Several factors have impacted on the current framework – i.e.: (i) the market pushed towards the use of occasional plans for limited areas, with many partial amendments to general plans; (ii) specific policies led to amending municipal plans and resorting to public-private partnerships; (iii) regional legislation introduced a governance system to reconnect land governance with strategic lines of protection and sustainable development. The implementation of relevant EU funded programmes has also contributed to actions aimed at this direction.

As to regional reforms, municipal plans were broken down into two acts – namely a "structural" one (guidance function) and an "operational" one (building sector regulations) to be renewed periodically. Such development lines were added to public works programmes or private initiative projects negotiated with municipalities, which highlights difficulty in maintaining rigid and slowly updated scheduling.

So as to correct such fragmentation trend, instruments other than structural plans have been developed – i.e.: (i) regional or provincial territorial plans having a landscape plan value, performing a regulatory function and agreed upon by central and regional authorities (thus overriding local plans); (ii) multiple types of strategic plans, which Municipalities and, at times,

Regions developed, based upon their respective autonomy, in order to steer several policies and guide private initiatives. Primarily aimed at supporting local authorities in developing a "future vision" for cities to share strategies and interventions extended to all territorial forces (institutions; economic, social, civil interests; citizens), the latter led to the undersigning of "territorial pacts", on which each party involved could assume the responsibilities and commitments needed to support and accompany development choices.

Likewise other Countries, Italy has a strong tradition in terms of thorough national and urban policy. Without having to set up new administrative structures, but aiming to indispensable coordination of policies implemented by various administrations and at various institutional levels, Article 12-bis of Law No. 134/2012 established Italy's Inter-ministerial Committee for Urban Policies (Comitato Interministeriale per le Politiche Urbane – CIPU), which has to date met three times and whose activities are still suspended.

## **§ 22. Decentralization and strengthening of local authorities**

In force since 8 April 2014, Law No. 56 of 7 April 2014 (so-called "*Delrio Law*") re-defines local administrations boundaries and responsibilities without amending Title V of Italy's Constitution. The Law acts as a "bridge" between the existing Constitution and the future one (which would take effect with the constitutional reform mentioned in the previous paragraph), by outlining, for the first time in Italy, two levels of government based on a "two-tier democratic system", and entrusting them with diverse roles and objectives within a coherent and harmonious framework. On the one hand, the Law entrusts metropolitan cities with the strategic task of promoting the development of their own areas (not least from the point of view of infrastructure and international relations) in a future-oriented logics and grounded upon dynamic relationship-based conditions. On the other hand, the Law attributes few basic functions to Provinces, thus letting their own identities largely depend on the choices that will be taken at Region level.

In providing for the birth of *metropolitan cities* and, more generally, for the evolution of Provinces, the *Delrio Reform* assigns an important role to municipalities and associations thereof to address and manage much bigger problems and territories than those delimited by current administrative boundaries. As a matter of fact, the Reform introduces specific provisions on union and merging of municipalities. In defining the vertical stability pact, Regions can identify suitable measures to encourage partnerships and mergers of municipalities, without prejudice to the public finance objective ascribed to Regions.

In order to support the implementation of measures for reform and modernisation of public administrations, through the "Governance and Institutional Capacity NOP" (2014-2020 ESI Funds), action was taken on the key dimensions characterising local authorities' institutional and administrative capacity – i.e. quality of human resources and organisation, development of

performance management systems, digitalisation, management of inter-institutional relations, and interaction with stakeholders. The planned interventions are addressed to public authorities throughout the Country as well as to stakeholders, both as a lever to contribute to public sector modernisation, reform and digital development, and as co-recipients of capacity-building processes.

## **§ 23. Improving participation and human rights in urban development**

Since mid-1990s Italy has regularly experienced citizens and stakeholders' involvement and participation, mainly upon local authorities' initiative. *Ad-hoc* national laws and provisions (e.g. *Programmi Urbani Complessi* and *Contratti di Quartiere* – Complex Urban Programmes and District Contracts) introduced forms of public consultation and stakeholders' involvement, and some Regions adopted specific measures to encourage participation.

City-wide and district-wide issues have been addressed via interaction with residents as to: mobility; security; roads; district services; re-training and re-use of physically/socially degraded city areas; natural or semi-natural areas; and environmental conflicts.

Most recent forms of "Pacts" amongst PAs and between them and private subjects (so-called "*Contratti di Fiume*" – i.e. "River Contracts") aim to identify new forms of governance involving multiple intervention areas, such as: hydrogeological risk; water quality; river banks degradation; public land use; river itineraries; new environmental tourism. For such instruments and other types of thematic contracts, often subject to specific regional legislations, some elements have not been defined and settled yet (i.e. real operating time; proactive and binding significance of actions brought against involved public bodies; actions consequentiality; outcomes monitoring). More positive results emerge from the new EU programming, which requires public consultation forms (urban programmes, Inner Areas, Urban Agenda, Water Directive, action programmes on culture and landscape, etc.).

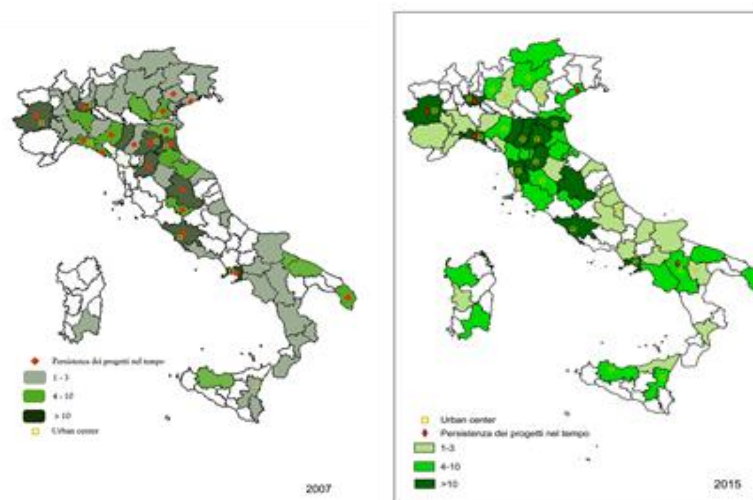
The creation of a "housing community" is linked to life quality and involves new management methods and tools; hence some regional initiatives (e.g. Lombardy's "Social Labs") aim to ensure adequate housing conditions both through real efficiency criteria and better social and interpersonal relationships within integrated processes to systemise real estate, management and social components for overall sustainable conditions. Public consultation became mandatory for major interventions – i.e. public debate, introduced by regional laws (Tuscany). Similar instruments are adopted by local authorities to settle conflicts as to NIMBY factor locating systems and verification of spatial transformations sustainability.

The new Public Procurement Code now introduces a public inquiry proceeding for most relevant infrastructure projects. On-line public consultations are widespread within several local

authorities, potentially resulting in countless users, often associated with more "traditional" forms of participation (workshops, OST, conversation café, etc.). Among them: the so-called "Collaboration Pacts" (*"Patti di Collaborazione"*) between public and private subjects (Please see the Regulation for care and regeneration of Bologna's common urban assets, acknowledged as a benchmark to several other municipalities), within which PAs entrust management, care and maintenance of public spaces to citizens; or the "Participation Charter" (*Carta della Partecipazione*) – i.e. an instrument adopted by a number of organisations, a higher percentage of medium and small-sized towns, some social cooperatives and District Committees, and Associations and Foundations. The Charter sets out 10 basic principles for quality participatory processes, to enhance proper participation culture and develop adequate languages and values. Those implementing the Charter are required to respect its principles, disseminate them among all those wishing to start participatory processes or civic participation initiatives, and consistently implement such principles to resolve potential problems and conflicts within their respective organisations or with any other parties involved.

Urban centres or "City Homes" (*"Case della Città"*) are widespread within large and medium-sized cities to allow for continuity of processes, maintain a record of undertaken actions, facilitate communication between public and private entities, and between PAs and citizens, respectively.

**Figure 2**  
**Italy's participation experiences and related evolution (2007 and 2015)**



Data provided by the "Participation Observers" in Tuscany and Emilia-Romagna (INU survey). Figures on Urban Centres are retrieved from the National Observatory.

## § 24. Enhancing urban safety and security

According to several observers, city life quality is strongly associated with urban safety and physical space quality. This assessment is mostly important if applied to the outskirts of Italy's large urban areas, where the presence of large building agglomerates is associated to high risk of social exclusion and strong unease due to inhabitants' unfulfilled needs. Such city areas are characterised by urban and construction degradation resulting from peripheral location, shortage and poor quality of spaces and community facilities, and insufficient supply of services to residents.

The National Programme for Reforms 2014, *“La giustizia e la sicurezza come asset reali per lo sviluppo del paese”* (i.e. “Justice and safety as real assets to Country's development”) Section, evidently ascribes a strategic role to safety for developing the “Country System”. The “Public Safety” action (*“Sicurezza Pubblica”*) is thus intended to modernise the safety system by enhancing smart analysis of information assets so as to counter organised crime.

In order to foster development, an integrated strategy is now required, taking into account the positive experiences so far gained and the difficulties so far encountered to adequately counter the mentioned phenomena at three main levels: *i)* administrative system; *ii)* economic system; and *iii)* civil society. Such phenomena have implications at the urban level, where they need to be better defined and, as such, better addressed. It is necessary to complement the “control culture” (also in terms of territory defense) along with mainstreaming of specific public policies (i.e. so-called “legality culture”). Effective actions to improve urban safety can result from all those interventions that identified urban safety within other problems at urban scale – e.g. better interpreting the analysis that associates lack of safety to poverty, unemployment, and exclusion. As a matter of fact, widespread social marginalisation and public sector disinvestment (notably within social policies) are certainly linked to severe frailty also in terms of urban safety, which therefore requires an integrated approach.

The experience of the latest integrated programmes or NOPs was aimed at addressing such issues by calibrating prevention and control, and at times by defining strategies and plans for change – among them: strengthening, across the territory, Prefectures and PA offices that play an essential oversight function over the administrative legality of actions undertaken by local authorities in the field of anti-corruption and public procurement transparency, by enhancing survey instruments for contract execution phase and procurement management; creating territory control infrastructure; undertaking actions to stimulate and encourage the creation of new businesses and developing the existing ones; regenerating real estate assets confiscated in high Mafia density areas; disseminating to civil society all the information related to the recovery of confiscated assets; and employment and social inclusion of legal immigrants, so that they can actually be considered as a resource for sustainable development of most vulnerable areas; strengthening the social economy system in its task of managing confiscated assets and promoting a culture of legality.



## § 25. Improving social inclusion and equity

ISTAT figures for 2014 confirm that absolute poverty was basically stable over 2013-2014 but more than doubled since the crisis began, involving 6.8% of the population (3.1% in 2007). Relative poverty affects about one-tenth of resident families. Poverty is strongly associated with specific family structure, not high levels of education and professional profiles, exclusion from labour market, and presence of foreigners. As to Mezzogiorno Area's small municipalities, absolute poverty remains almost double than in metropolitan areas, while northern Italy's municipalities reveal extreme poverty is higher in urban areas (7.4%) than in other municipalities (3.2% in large ones; 3.9% in small ones) (ISTAT, 2015).

The severe material deprivation indicator is an important tool for social exclusion analysis. It helps estimate people at risk of poverty or social exclusion. At 2013, Italy's severe material deprivation indicator value was above the EU average (11.4% of residents versus EU 9%), and the income inequality index<sup>16</sup> was slightly above the EU average (0.324 versus 0.309 EU average)<sup>17</sup>. Besides few sectoral interventions, usually at local level, *Urban Community Initiative Programmes (CIPs)* and the two generations of "*Contratti di Quartiere*" ("District Contracts") have most supported such aspects within urban policies. In particular, the innovative use of community resources within *Urban CIPs* fostered the birth of a national anti-violence network, and citizen networks for protection and social inclusion of poor women and women victims of violence into the urban context.

Special attention is devoted by the State to typical urban suburb phenomena, also through new dedicated ministerial structures (including a special service within the Ministry of Cultural Heritage Assets and Activities and Tourism) and allocation of specific economic resources for financing or co-financing initiatives, and rehabilitation/enhancement projects/programmes. In this regard, it is worth noting the so-called "Art bonus" Law 2014, which provides for State contribution to cultural projects implemented by local authorities within urban suburbs (EUR 3 million market share for 2014, 2015 and 2016) drawing upon a part of 3% of additional resources annually required for infrastructure and cultural heritage investment.

Two initiatives were recently launched on urban regeneration and innovation promoted by the Government – i.e. *i*) in compliance with Stability Law 2015 (Law No. 190 dated 23 December 2014, Art. 1 paragraph 431 and subsequent paragraphs) provides for a national plan for social and cultural enhancement of deprived urban areas, addressed both to single Municipalities and to temporary aggregations of Municipalities whose territories host deprived urban areas; and *ii*) Stability Law 2016 (Law No. 208 dated 28 December 2015, Article 1, paragraph 974 and subsequent paragraphs) envisages the introduction of an intervention programme for urban enhancement and suburbs safety in metropolitan cities and provincial capital cities. Both initiatives mobilise public funds – i.e. the Fund for implementation of the national plan for social

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<sup>16</sup> GINI concentration index on family net income excluding imputed rent.

<sup>17</sup> <http://noi-italia.istat.it/> – *Popolazione e Società – Condizioni economiche delle famiglie.*

and cultural regeneration of deprived urban areas (budget: approx. EUR 80 million), and the Fund for implementation of the extraordinary action programme for urban regeneration and suburbs safety (EUR 500 million for 2016). Bids are required to assess the unease levels identified and state own ability to reduce them through interventions on infrastructure and services. For instance, submitted proposals will have to demonstrate their capacity to deploy long-lasting effects in terms of reduction of marginalisation and social unease, indicating the number of years over which such effects will be manifested. Eventually, Stability Law 2016 establishes an experimental Fund to counter “child education poverty” and the Fund for fight against poverty and social exclusion (budget: EUR 600 million for 2016; EUR 1 billion from 2017) aimed at implementing an *ad-hoc* national plan to be adopted every three years. For 2016, priority interventions are aimed at: Country-wide extension of support to active inclusion; further increase of authorised expenditure for unemployment allowance; direct interventions to families proportionally to the number of minor children or disabled and women in established pregnancy conditions.<sup>18</sup>

In recent years, awareness has risen in Italy, both at national and local level, as to the importance of public space for inclusion and equality. Citizens’ participation is more frequently and successfully expressed in the defense and enhancement of urban public spaces, also through “adoption by neighbourhood or district associations” formulas. Such aspects become even more important if we consider that quality public spaces (from sidewalks to gardens, from gardens to play areas) are most needed by citizens. As stated in the “Charter of Public Space”, project-designing and management of public spaces are one with their usage by citizens for better public life quality.

## **§ 26. Challenges experienced and lessons learnt in these areas**

Challenges are numerous in this regard, as Italy benefits from remarkable EU resources and, among the new programming *ex-ante* conditionalities, a prominent role is ascribed to institutional capacity enhancement. Undoubtedly, the interventions for institutional capacity building and investment improvement, safety, social inclusion and equality need be re-launched on an ongoing basis by better drawing upon past experiences.

Law No. 56/014 (assigning new key features to *metropolitan cities*, in addition to those already assigned to Provinces) determines important implications in terms of land management and relationships between institutions of different levels and fields (e.g. redistribution of responsibilities and functions relating to the environment). Metropolitan cities inherit from Provinces (e.g. Rome) all the existing tensions characterising the relationship with the respective Regions as well as those between the Region and the State as to concurrent/shared disciplines.

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<sup>18</sup> [www.camera.it/temiap/2015/12/22/OCD177-1649.pdf](http://www.camera.it/temiap/2015/12/22/OCD177-1649.pdf).

The above weaknesses were negatively affected by several factors, such as: proliferation of regulatory interventions imposing new obligations and prohibitions to administrations; a fragmented accountability system with an excess of decision-making centres at various government levels, which entails not optimal allocation of regulatory, administrative and supervisory powers; prevalence of State-Regions concurrent legislation not effectively promoting unified reform orientations and achievements for protection of Country/citizens' fundamental interests; lack of structured implementation interventions, to cope with necessary organisational changes.

Such criticalities notably concern: multilevel governance functionality; fragmentation and excessive articulation of the administrative system, and ensuing effects in terms of public policy and investment implementation; weakness and excessive fragmentation, resulting in no clear definition of long-term objectives/results and actions aimed at enhancing PAs' capacity to carry out interventions and attain the expected changes; disconnection between public policy evaluation and medium/long-term strategy for improvement of PAs' ability to successfully attain the expected public investment results.

These elements are accompanied by more specific weaknesses pertaining to ESI Funds management and, in particular, by still insufficient capacity to plan, project-design, implement and carry out operations within set deadlines and compliantly with specific criteria set by funds rules; organisational deficits in defining an *ad-hoc* administrative structure specifically suited to management and implementation of complex programmes within set timelines; shortcomings and delays in development of coordination forms, procedures, and technical/administrative paths that facilitate fast implementation of programmes; lack of effective accountability as to results; inadequate standards for proper and effective performance of technical functions (including assessment, monitoring, financial system computerised management); inefficient operation of work awarding systems and procurement procedures in accordance with models characterised by greater administrative and procedural simplicity, transparency, accountability and timeliness.

With regard to stakeholders and citizens participation, a phase of "consolidation" is now identified, characterised by: stability in the use of PAs methods and strategies aiming to listen to and involve citizens (e.g. district labs) is associated with widely raised awareness on the indispensable need to develop relationships based on consultation, co-decision making and co-project designing, at least with the "actors" operating within target areas, so as to build "cyclical open participatory processes".

It is worth noting the very interesting spreading of multiple initiatives through partnerships mainly consisting of associations, committees, groups of young professionals and students, researchers and university professors that, by investing time and resources in a predominantly voluntary form, propose new forms of governance within processes often linked to the theme of resilient cities (and territories), and interact – often conflictually – with PAs.

Citizens' renewed interest in "urban health" is also identified. The well-being concept is intertwined with the need for security, quality of life, demand for higher standards to ensure beautiful and livable cities, and desire to engage personally, with still very critical attitudes towards the public sector.

## **§ 27. Future challenges and issues in these areas**

An innovative perspective must necessarily shift the focus from works to processes, ascribing priority to deployment of enabling strategies by public authorities: infrastructure interventions are to be financed prevalently when relevant to support local development and integration with territories' potentials.

Therefore, it is very important that legislation (both national and regional) confer autonomy and leverage on municipal administrations, removing the constraints that currently limit their ability to take action.

In this context, the following proposals become relevant:

- Accompanying local governments for maximised application of Law No. 56/2014, with particular reference to wide statutory autonomy granted to metropolitan cities to promote their role(s) as Country's development driving force (e.g. Milan Expo 2015). To this end, it may be helpful to constantly monitor implementation through a national Observatory.
- Promoting strategic planning in urban areas also beyond metropolitan cities, where strategic planning is required by law as a detection method of main socio-economic development objectives through involvement of all public and private stakeholders.
- Developing a National Urban Agenda to coordinate the actions undertaken by central and local administrations as a framework to all other stakeholders, also drawing upon the information contained in this Report. This requirement will be further highlighted in the Pact of Amsterdam within the development process implemented by the Dutch Presidency of the European Council, due to be adopted at the end of this semester. Therefore, it is necessary to conduct a thorough survey of the urban dimension of policies at different government levels (State and Regions) and local urban agendas, and setting up a permanent observatory on the evolution of the EU Urban Agenda and other Countries' urban agendas may be of help.
- Implementing the legislative provision which established inter-ministerial coordination for urban policies, reviewing its operational modes to make it an effective and appropriate decision-making basis for Urban Agenda elaboration.

- Improving PA efficiency and coordination between all levels involved, specifying individual responsibilities; simplifying the administrative and regulatory framework for citizens and enterprises; enhancing e-government and e-procurement strategies; ensuring better management of EU Funds via resolute actions aimed at improving administrative capacity, transparency, evaluation and quality control at regional level, especially in the Mezzogiorno Area, also in line with the objectives pursued by 2014-2020 Operational Programmes.
- Simplifying and unifying what requires common lexicon on a national basis replicating, where needed, the useful experience of the standard "Building Code" promoted by the Ministry of Infrastructure and Transport.
- Implementing the new Public Procurement Code, laying down criteria for simplification, streamlining and reduction of relevant rules. The Code differentiates the phases of planning, programming and project-designing of works and operations, and identifies work award procedures based on principles common to all types of contracts (procurement, grant, in-house, general contracting, public-private partnership such as project financing and horizontal subsidiarity instruments).
- Facilitating citizens taking over management of areas and public spaces, also as an important contribution to urban development sustainability and achievement of cities' greater environmental efficiency, drawing upon provisions as per Article 24 of 2014 "*Sblocca Italia*" Law on autonomous citizens' initiatives for care, management and redevelopment of unutilised urban spaces as "horizontal subsidiarity interventions" (as per the new Code within PPP), and those offered by PPP pacts including the mentioned Regulation for care and regeneration of Bologna's common urban assets, acknowledged as the benchmark for numerous other municipalities.
- Consistently implementing the new procurement code rule that provides for public debate procedure in the event of large infrastructure projects with significant impact on the environment, cities and regional planning.

## V. Urban Economy: Issues and Challenges for a New Urban Agenda

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### § 28. Improving municipal/local finance

The law on fiscal federalism approved in 2009 was supposed to transfer to local authorities (municipalities, provinces, metropolitan cities and regions) financial and fiscal autonomy levers adequate to the powers conferred upon them by Title V of 2001 Constitution. The crisis, and the consequent financing squeeze, prevented consistent implementation of such law, which mainly resulted in gradual introduction of standard costs and needs in place of past spending criteria. Moreover, local governments' autonomy has further decreased, although the revision of Italy's Domestic Stability Pact (Stability Law for 2016) could revive local investments, which have alarmingly dropped in recent years. A further boost to the strengthening of tax revenue on real estate has also been generated, leading to the introduction of new taxes (*IMU*<sup>19</sup>, *TARES*<sup>20</sup>), on which approx. 33% of current municipal taxation revenue depends. In December 2014, the total national revenues amounted to EUR 20.776 billion – i.e. a 30.8% increase versus 2012 (*ANCI-IFEL*, 2015).

Since 2016, taxation on property (including on first home) has replaced quotas of State transfers to municipalities, resulting in increased local authorities' responsibilities and reduced equalisation between territories. While broader State transfers were in the past connected to earlier structural data on municipalities (land area, population, income), now the property tax rewards the locations endowed with rich assets (tourist resorts, industrial districts) and higher property values, while penalising small towns and weak areas.

A further component of municipalities' revenues stems from urbanisation costs, originally intended for implementation of related works. However, in order to compensate for reduced State transfers and increase local authorities' budgetary discretion, as from 2001 such charges no longer fall within this particular purpose. The measure has been widely debated, as it can significantly reduce fixed investments and encourage spatial transformations by utilising new land to support municipal budgets, notably in times of scarce resources.

Italy now requires the fiscal capacity of local finance (*Documento Unico di Programmazione 2016*) to help mitigate the impact the global crisis and stability measures for debt reduction can exert on urban growth. With the latest reform of the local authorities system (Law No. 56/2014), municipalities with fewer than 5,000 inhabitants will have to merge or join municipalities unions with minimum 10,000 total inhabitants (some Regions raised this threshold to 15,000 inhabitants). Mergers should ensure greater coherence and institutional relevance to problems of spatial transformation governance, as well as economies of scale within management of services and staffs, in order to increase overall efficiency and freedom in setting fiscal policies.

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<sup>19</sup> *Imposta Municipale Unica* (Municipal property tax)

<sup>20</sup> *Tributo Comunale sui Rifiuti e sui Servizi* (Municipal waste and services tax)

Among local administrations' financial instruments, it is worth noting: the national fund for access to dwellings for rent (*Fondo nazionale per l'accesso alle abitazioni in locazione*), as per Law No. 431/1998) aimed at providing, by means of local entities, contributions to payment of rental fees by citizens meeting specific requirements; the 2014 fund for delayed payment or non-payment due to third-party responsibility (*Fondo per la morosità incolpevole*), namely local authorities' financial instrument addressed to families unable to pay for their home rent(s) (Chapter VI); and the national fund for State financial assistance (sharing) of local public transport charges (including rail traffic), aimed at enhancing the efficiency of local companies that benefit of funds related to 75% of sectoral annual needs.

## **§ 29. Strengthening and improving access to housing finance**

The structure of Italy's housing stock is peculiar – i.e. 72% of households own the house(s) in which they live, 18% live in rented houses, and 9.9% live in houses free of charge or under different conditions (most often granted to them, free of charge, by parents and relatives), respectively.

Based upon the 2011 census, the ratio between actually occupied dwellings and the number of households in Italy shows that 470,000 dwellings are still needed (Ministry of Infrastructure and Transport data).

In 2011, a survey (ISTAT, Caritas, FioPSFD) was also carried out on people living in extreme poverty. Homeless people who, over November-December 2011, resorted to canteen or night shelter services within the 158 sampled municipalities amounted to 47,648. The figure should be added to the number of homeless people who do not resort to the above services or do not live in the surveyed cities (in large cities, the phenomenon tends to be more concentrated). Moreover, data reveal that most homeless people are foreigners (59.4%).

Over the last decade, metropolitan cities have been characterised by intense immigration flows, with a more-than-doubled foreign population at the level of provincial capital cities (+ 104.9%) and even more within municipalities neighbouring metropolitan cities (+ 123.1%). In some provincial capitals, moreover, such concentration processes significantly exceed the national average, up to Naples + 219%.

New forms of discomfort have increased over recent years, due to factors such as: inadequate housing, overcrowding, non-guaranteed accommodations and homelessness risks. Multiple initiatives are undertaken by Italy to address the housing demand – i.e. *ad-hoc* programmes have been promoted to stimulate the supply of residential housing at “curbed” costs, and tax benefits were introduced in favour of those who buy their first house or promote investments aimed at rental of dwellings upon payment of “curbed” fees agreed upon between tenants unions and property owners unions.

The Government has also proposed initiatives addressed to families and structural measures to enhance the residential housing supply – e.g. the 2009 National Housing Plan (*Piano nazionale di edilizia abitativa*), designed as an integrated set aimed at the whole range of subjects addressed by direct public interventions within national housing policy. Furthermore, in 2014 a programme was introduced for recovery and rationalisation of public housing residential property and dwellings (*Programma di recupero e razionalizzazione degli immobili e degli alloggi di edilizia residenziale pubblica di proprietà dei comuni e degli Istituti per le case popolari*) owned by municipalities and public housing authorities, for restoration and extraordinary maintenance of unused accommodations (approximately 15,000 nationwide). The Fund covers overall 950,000 public housing units. In 2014, the National Support Fund for residential lease support (*Fondo nazionale di sostegno alla locazione ad uso abitativo*) was refinanced (established in 1998 and funded for a decade) and (as mentioned under Paragraph 28) the Fund for delayed payment or non-payment due to third-party responsibility (*Fondo per la morosità incolpevole*) was also introduced.

In January 2015 a very significant programme was activated for recovery of residential property confiscated from organised crime, to be provided to the municipalities concerned (ownership). The Government is now working also on a new programme for enhancing the stock of public residential buildings and dwellings rented out at “curbed” prices. Additional supporting tools are: the Solidarity Fund for first home mortgages, the Guarantee Fund for young couples or single-parent households’ first homes, and incentives for entering vacant houses at negotiated rents on the market. Some metropolitan municipalities are reported to have set up specific housing agencies to ensure effective coordination of all the measures undertaken.

### **§ 30. Supporting local economic development**

Italy’s central-northern and southern cities have been affected by the crisis in a different way; furthermore, differences are identified both between and within geographical areas. Traditional industrial sectors have suffered a sharp decline that has not been compensated by the services sector, while the real estate component no longer plays the leading role performed in recent years. Unemployment – notably youth unemployment – has reached alarming levels. The counter-cyclical action has so far primarily focused on macroeconomic variables such as deficit/GDP ratio, debt relief, and tax burden reduction as a stimulus to the economy. Furthermore, the ECB (European Central Bank) monetary policy alone cannot be enough, and growth is still too weak after recent austerity years. It is now necessary to ensure a policy aimed at supporting domestic demand through strong investment injections.

Cities can definitely play a leading role, with their targeted national public investments and local regulatory actions fostering innovation and development of new production areas (urban regeneration, sustainable mobility, digital distribution services, etc.). The new development system, also urged by the UN as per Agenda 2030 SDGs, shall be based on environmental and



social sustainability, transfer of knowledge produced by universities and research system, start-ups and culture and creativity districts, innovative digital services, sharing and collaborative commons. The new largely urban economy is already trying to assert itself within our cities, and shall be promoted and supported as a fundamental choice of our Country's system.

Mobility, local public transport and logistics play a crucial role within urban development, and in the adoption of appropriate planning tools, local authorities can benefit of EU guidelines. Urban freight logistics requires space/time planning of activities with new and innovative coordination between private operators' needs and urban governance prerogatives and objectives.

The implementation of high-speed/high-capacity connections has strongly contributed to developing relationships between the Country's main productive areas. The recent reorganisation of ports aims to increase port infrastructure competitiveness by injecting significant investments in port logistics and intermodal transport.

In terms of territorial objectives, via Strategic Plans, cities can now focus on economic and territorial innovation through a method that aims to establish trust and partnership between public and private actors for implementation of complex projects. Several experiences (e.g. start-up incubators, FabLab, and co-working initiatives) are reshaping the profile of local economies aware that urban economies' future development is strongly tied to innovation and digital technology. Some key areas reveal noteworthy data, such as:

- As to urban-productive contexts – Natural settlement of "pocket multinationals", namely companies with 20-100 employees active in export-oriented manufacturing and services sectors dominated by technological innovation (info mechanics), creativity (design, fashion, footwear) and services to luxury market (shipbuilding, jewelry, sports cars).
- As to specifically designed urban areas – Given the high historical-cultural and environmental quality, development of activities related to tourism and well-being.
- As to lands – Good quality signals from agriculture and food&wine, capable of incorporating environmental uniqueness and local knowledge within high-value products.

Efforts are ongoing to set up adequate supply chains and permanently recognisable and replicable modes, in these areas and strengthen productive-relational sectors widely extended but fragmented and differentiated, by encouraging their systemisation.

### **§ 31. Creating decent jobs and livelihoods**

Over recent years, the decrease in real income (per capita) has triggered new forms of social unease, especially for younger age groups who have difficulty accessing the labour market,

maintaining their jobs and attaining adequate levels of income. Since the early 2000s, labour policies have mostly been addressed to emergency situations and countering of the economic and financial crisis.

The new season opens with structural measures (Law No. 183/2014, so-called “Jobs Act”) aimed at reorganising access to labour market, so as to redesign overall governance of local realities, redefine reciprocity relationships between individuals, build a new concept of citizenship and relaunch economic development. Italy’s unemployment rate was 11.9% in 2015, thus recovering 0.7 points compared to 2014 (Eurostat, 2015).

In Italy, the 2014-2015 comparison reveals two peculiar characteristics, and namely:

- Mitigation of regional disparities – In 2015 north/south unemployment rate gap was reduced by 0.8 percentage points, thus attaining 11.3 points versus 12.1 in 2014 (South: 19.4%; North: 8.1%) (Eurostat, 2015).
- Decrease in the persistently very high unemployment rate among young people aged 20-24 – i.e. 37.4% in 2015, recovering almost 2 percentage points over the last year (Eurostat, 2015).

The recent Labour Reform approved by the Government intends to reverse the trend: the effects of employment contract reorganisation and decontribution for new open-term hiring are proving to be effective measures to ensure functional flexibility to enterprises productivity and workers’ careers. The Reform intervenes on several elements, such as: Italy’s Statute of Workers’ Rights; extension of specific rights to different types of employment contracts; employment services institutional framework; and social shock absorbers.

The establishment of the national network for labour policy services, coordinated by the new national Agency for active work policies (*Agenzia Nazionale per le Politiche Attive del Lavoro – ANPAL*), provides for better and more efficient integration of active and passive policies and remedies the current dichotomy underlying the entrustment of the former to Regions and the latter to Italy’s national social security institute (*Istituto Nazionale di Previdenza Sociale – INPS*), respectively.

Italy’s national public expenditure on labour market policies has gradually stabilised at around 2% of GDP, reportedly increased versus 2008 (1.2%) (Eurostat, 2013). The largest share is still represented by passive policies (1.6% of GDP), versus active policies below 0.4% of GDP. Within active policies, spending on employment services absorbs 8% of public spending – symptomatic of different institutional responsibilities between central and peripheral administrations.

The Youth Guarantee Programme (European Council Recommendation – 2013) is the main instrument for integration of young unemployed people in the labour market. The phenomenon of NEETs (Not in Education, Employment or Training) in Italy is strongly differentiated at regional level. Starting from Spring 2014, each Region has approved an implementation plan and a breakdown of expenditures in proportion to the phenomenon size at local level.

Compared to the nine measures provided for in the national plan (reception and orientation, training and support to work, apprenticeships, internships, community services, support to self-entrepreneurship, national/EU wide professional mobility, employment bonus), over 42% of planned resources at regional level are dedicated to training and internships, while learning and apprenticeship and professional mobility are the least financially incentivised measures, with 3.2% and 2.5% of the total, respectively.

Eventually, various PA levels and the judiciary actively counter the phenomena of labour exploitation (especially in the agricultural sector) of non-regular immigrant communities (so-called “*caporalato*”) that give rise to temporary ghettos within marginal areas. Analogous phenomena are identified within the textile sector in specific limited geographical areas and have been the subject of *ad-hoc* countering actions.

### **§ 32. Integration of the urban economy into national development policy**

Cities’ role is acknowledged as increasingly key to economic and social development. Such paradigm, about to be implemented in the European Urban Agenda, has been strongly supported by the European Union (EU 2020 Strategy) that, over the last twenty years, has increasingly invested in programmes and measures dedicated to urban development. Italy has fully transposed such an approach in its recent Partnership Agreement (EU-Italy 2014) for definition of 2014-2020 EU funds allocation, which identifies urban areas as key areas to successfully address smart, inclusive and sustainable growth challenges.

The Partnership Agreement sets out an *ad-hoc* strategy addressed to cities, clearly differentiating between metropolitan cities, medium-sized cities and small municipalities, respectively, and breaking down interventions on territories based on such three typologies, and namely: *i*) the so-called “*Metro NOP*” (*Programma Operativo Nazionale per le Città Metropolitane*), aimed at strengthening technological innovation, social inclusion and urban mobility); *ii*) urban strategies for medium-sized cities within ROPs (modernisation of municipal services, social inclusion, and strengthening of valuable local segments of global production chains ); *iii*) the national strategy for so-called Inner Areas (*Strategia Nazionale Aree interne*) for small towns’ systems (improve safety and promote natural, cultural, and landscape diversity).

Italy is thus facing – jointly and in a coordinated manner – the territorial and organisational challenges that affect local contexts and concretely require the adoption of a cross-programming approach.

The ongoing reform of the institutional and administrative system is proceeding along the same direction: establishment of *Città Metropolitane* in January 2015, and so-called *Enti di Area Vasta* (i.e. local entities at supra-municipal level) in 2016 (involving medium-sized cities), to which a predominant role was assigned for coordinating local planning and socio-economic development in terms of integration of strategies and urban policies. As follows the main characteristics of

Italy's 14 metropolitan cities:

- Surface: approx. 50 thousand km<sup>2</sup> (16.5% of national territory)
- 1,328 municipalities (16.5% of national total)
- 22.1 million people (36.4% of national population) and 9.6 million households
- Over 40% of national value added (about EUR 600 billion in 2014)
- 30% of Italian exports (EUR 112 billion)
- 1.8 million enterprises (35% of total number, and 56% of foreign companies established in Italy)
- 31% of Italy's handicraft enterprises (434,000)
- 35% of Italy's employees (7.9 million).

The 2014-2020 *Metro* National Operational Programme interventions are patterned as integrated local action plans that include measures to support employment, education and health care. The related key areas are:

1. Promotion of metropolitan housing agencies;
2. Management of housing vulnerability and prevention of new emergencies;
3. Strengthening of public housing stock.

Each Region will be in charge of integrating its respective Regional Operational Programmes with the *Metro* NOP, within the thematic objectives set by EU Regulations for 2014-2020 programming and, in particular, as to Sustainable Urban Development thematic issues.

### **§ 33. Challenges experienced and lessons learnt in these areas**

There is widespread belief that a new approach is needed to overcome the crisis that began in 2008 with the loss of more than 10% of GDP and over a million jobs. It seems clear it is now necessary to define a range of urban policies, with greatest care to differentiate targets and instruments depending on individual contexts, and as such reaffirm the importance of fine-tuning the ability to *read* the urban territory at all levels.

Recent experience has shown the possibility of innovation, development and exit "from crises" through a new model offering a sort of way out from mass society. The new cooperative interactions underlying relations between those who produce and those who consume (*prosumership*) let us figure out great flexibility perspectives and endless variations for public goods and supply of essential goods and services.

In this new scenario, social capital is growing in importance, access to integrated knowledge of technological innovations and advanced services (Smart Specialization Strategy) acquires crucial importance in relation to ownership, sustainability begins to erode some aspects of consumerism, and competition is now coupled with cooperation. The sharing economy is introducing unprecedented mechanisms.

Experiences such as start-up incubators, fab-lab, and co-working are reshaping the profile of territorial economies aware that urban economies' future development is strongly linked to innovation issues. Digital technology is dramatically changing the production and exchange of services in the fields of culture, tourism, mobility, welfare, project-designing, business services, and urban logistics. Production is changing based on new forms of cooperation along with the spreading of urban agriculture practices and circular economy.

The need to operate urban transformations within the new urban shape without consuming additional soil represents the purpose of these urban planning processes and the real new challenge on cities' future. Geo-referencing mobility pervasiveness and the new tax burden on real estate produce new benefits derived from rationalised use of housing stocks, and contribute to revealing increasing volumes of underutilised or dismissed assets, due to huge real estate offer/surplus, on one side, and an increasingly prudent and selective demand, on the other.

Other instances of such processes lie in increased use of existing infrastructure: *i)* enhancing the capacity of rail routes by means of new management software; *ii)* using sewers to lay optical fiber (in-wiring) systems; *iii)* optimising the use of housing stock for rent with on-line B&B applications; spreading co-working experiences; increasing public transport and car sharing supply; developing temporary uses of spaces to avoid utilising permanent venues, etc.

In general, use of big data with high organisational and sociability contents (i.e. sharing economy cognitive components) suggest that, in the future, part of the urban structure will be less rigid and more reusable.

Administrative simplification and devolution of organisational/managerial responsibilities on the economy and the territory introduced in 2014 (Law No. 56/2014) define a new institutional framework based upon Urban Agenda principles – i.e.: participatory, inclusive, and integrated approach. Much of the project-designing experiments undertaken have not yet been converted into a stable urban governance approach and, as a matter of fact, such experiments are lagging behind in producing the expected effects: youth employment, (infrastructural and cultural) smart innovation, social housing enhancement, etc.

Experiences and actions of cross-fertilisation in science and technology, culture and innovation, impact mitigation and adaptation to climate change, unemployment reduction, and fight against segregation and poverty represent pursued goals but not yet attained results. A conceptual reference matrix (priorities, objectives, method) is still lacking. Experience has also taught that knowledge and inclusive management of complex urban systems involving multiple actors and subsidiary levels is crucial to policy making, as in the case of multi-level governance: close dialogue

with national and regional administrations is essential to provide support to local policy/decision-makers.

### **§ 34. Future challenges and issues in these areas (27-31) that could be addressed by a New Urban Agenda**

Cities can provide vital contribution to changing the current economic and social model towards sustainable development as per the SDGs pursued by UN Agenda 2030, also joined by Italy.

In this context, the following proposals acquire importance:

- Using resources and implementing actions so as to strengthen positive economic, social and environmental links between urban, peri-urban and rural areas, through appropriate plans (SDG 11a). Urban areas will play a key role in improving productivity through diversification and technological innovation (SDG 8.2), in order to promote support to productive activities, creation of dignified employment (notably for women and young people), and foster the growth of micro, small and medium-sized (SDGs 8.3 and 8.5) enterprises. Urban areas shall be managed and planned so as to ensure more efficient use of resources by interrupting the link between economic growth and environmental degradation (SDG 8.4).
- Building the National Urban Agenda as a "rolling agenda" with precise flagships responding to Europe 2020 Strategy, starting from the measures undersigned in the Toledo Declaration (2010) and reinforced in the Riga Declaration (2015), according to strategic priorities.
- Further enhancing Italy's cultural assets so that urban economy can revolve around culture and tourism, jointly with other innovative activities, in accordance with a more adequate strategy for cultural industry enhancement to develop cities' identity and economy.
- Helping cities to make better use of great potentialities of universities and research centres in favour of urban economy, by promoting an innovative process that awards research and training quality, rationalises the system in force and invests in new campuses.
- Promoting expert knowledge (usable knowledge and useful knowledge) generated within universities and research centres as a strategic resource for spatial innovation, and developing international relationships through networking, exchange, and students/teachers mobility, which can help identify new cognitive development scenarios, at both human and material level.
- Creating integrated platforms for use of data on smart city projects in order to provide all urban areas (also less developed ones) with broadband infrastructure needed within knowledge societies.

- Developing and extending the Urbès Project<sup>21</sup> on equal and sustainable well-being within urban areas (promoted by ISTAT and ANCI), for constant monitoring of all indicators on life quality besides GDP.
- Enhancing the implemented Housing Plan in order to provide affordable housing for all, also by re-using the real estate stock still unsold due to the crisis and introducing energy-efficient building and energetic urban renewal initiatives. It is now necessary to review current tax incentives on building stocks, converting them into an overall plan for reduction of CO2 emissions and regeneration also benefiting of the European Energy Efficiency Fund and Energy Performance Contracts within public-private partnerships among active and competitive energy sector actors.
- Adopting the so-called Social Investment Packages (SIPs) to support childcare and early childhood education, as well as inclusion of related family contexts (lifelong learning, work-life reconciliation measures, active aging) to help reduce poverty within urban areas starting from childhood. These interventions should complement sectoral policies on employment, housing, health and education. The Urban Agenda could facilitate, through Integrated Territorial Investments (ITIs), integrated strategies supported by ESI Funds (notably ESF and ERDF)<sup>22</sup>.
- Using the Strategic Environmental Technologies Plan (so-called "SET Plan") launched to support development of appropriate and innovative technologies linking cities to enterprises, research and green economy (Green Digital Charter 2012), in order to guide smart cities notably towards the objective of reducing youth unemployment. To such end, the contribution of the JPI Urban Europe Programme<sup>23</sup> can strongly contribute to promoting research on urban systems.
- Supporting cities within the difficult challenge of absorbing the massive influx of migrants in a national context that clearly reveals the gap between those areas that manage to be growth drivers (attracting skilled workers and investments) and other Regions primarily located in the Mezzogiorno Area, characterised by chaotic urban development, poverty, and widespread illegality. The contrast identified represents a priority engagement for the Country.

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<sup>21</sup> [www.istat.it/urbes2015](http://www.istat.it/urbes2015)

<sup>22</sup> ESF – European Social Fund; ERDF – European Regional Development Fund.

<sup>23</sup> [jpi-urbaneurope.eu/](http://jpi-urbaneurope.eu/)

## VI. Housing and Basic Services: Issues and Challenges for a New Urban Agenda

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### § 35. Slum upgrading and prevention

Although we cannot say Italy hosts *slums* as per UN definition, certain housing conditions in the Country can be regarded as problematic and harmful to the dignity of persons. The latest census identified an increase in families living in poor quality or inadequate housing conditions (caravans, sheds, garages, cellars). Based on available data, between 1991 and 2011, figures rose from 20,765 to 54,094 poor quality houses, with a rather varied regional distribution: over 28% of the total in the Mezzogiorno Area; 20% in central Regions; 24% in north-west Regions; and 14% in north-east Regions, respectively (ISTAT, 2013). This finding is underlined by other sources (Caritas) which have produced several studies on such increasing unease and poverty phenomena.

Data reveal forms of unease in the Country as a result of: economic crisis, growing migration flows, overall growth of so-called "nomadic" populations permanently settled in authorised camps as well as and spontaneous camps located in the suburbs of big cities. Further factors are identified, such as increased employment fragility (layoffs, occasional jobs, undeclared employment) and increased number of elderly people and extreme poverty situations that resort to *Caritas* charity services, as they are not guaranteed accommodations and access to tangible/intangible resources or alternative living opportunities. In such cases, people live in houses built with waste and makeshift materials, often far from essential services and community solidarity networks. Such precarious accommodations are located away from population centres, with poor health and hygiene conditions, shortage of water, electricity supply, centralised transport and difficult access to goods and services.

Housing problems also concern housing stocks. Italy's official data on housing (ISTAT, 2010) indicate that almost one fifth of Italians live in buildings constructed before 1950. Newer houses, built over the last twenty years, are mostly located within urban outskirts (18.5%) and smaller-size municipalities (18.3%). This highlights the importance of upgrading the urban assets (notably public property) and pay special attention to the emergence of informal clusters, self-built shacks and temporary shelters, also built following State interventions aimed at coping with emergency situations and strong inflow of migrants in the Mezzogiorno Area.

### §36. Improving access to adequate housing

Since the mid-1990s, Italy has reduced its public housing production. Law No. 112/1998 closed the autonomous fund for residential building (*Fondo Autonomo per l'Edilizia Residenziale*) established within *Cassa Depositi e Prestiti*, which had managed *Gescal*<sup>24</sup> funds for subsidised housing and

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<sup>24</sup> *Gescal (GESTione CAse per i Lavoratori)*



State contributions for assisted housing. Furthermore, Law No. 431/1998 repealed Law No. 392/1978 as to fair rental fees (*equo canone*), which fixed reasonable fees proportionate to the objective characteristics of the houses rented out. Furthermore, an increase in the number of evictions is identified (notably in major cities) and over 2007-2011, also due to the economic crisis (+ 45%). As such, national initiatives have recently been undertaken for promotion of action programmes to foster access to housing through tax benefits, in favour of those who buy their first house or activate investments aimed at renting houses at *negotiated* rental fees. Among structural measures aimed at increasing the supply of residential housing, the national plan for housing construction was launched in 2009 (DPCM dated 16 July 2009). The Plan is broken down into several action lines, and namely: one aims to encourage institutional and private investors through a network of real estate funds that will intervene in support of local initiatives by up to 40% of investments; a second line (EUR 200 million) absorbs the previous EUR 550 million programme to finance public houses owned by municipalities or one of former Council housing entities (*IACP – Istituti Popolari Case Popolari*), as however denominated; a third line focuses on integrated programmes for residential construction (social, public and private), incentives to housing associations, and sale of public residential units to entitled persons. Additional tools have been put in place to promote the living conditions of weakest groups, by means of the recent "Housing Plan" (Decree-Law No. 47/2014). Furthermore, the mentioned national support fund for residential rent (established in 1998 and refinanced in 2014) provides for contributions in favour of tenants belonging to specific social groups who meet the requirements set as to payment of rents for both public and private property units. Furthermore, the mentioned *Fondo per la morosità incolpevole* (Fund for delayed payment or non-payment due to third-party responsibility) was set up to address situations of impossibility to pay for house rental fees due to either loss or substantial decrease in households' income. Eventually, in the framework of national urban policies and sustainable urban development strategies outlined in the Partnership Agreement for 2014-2020 EU programming, the *Metro NOP*, intervening on 14 metropolitan cities, also seeks to promote a unified approach to emergency housing by: encouraging metropolitan housing agencies; managing housing vulnerability; preventing new emergencies; and consolidating public housing assets.

Within regional policies, public housing is managed through specific "housing entities", defined in multiple ways, as a result of sectoral reorganisations of Regions that have, meanwhile, assumed new responsibilities (Decree-Law No. 112/1998). Official figures show 103 so-called *Area Vasta* entities in the Country which for more than a century have been building and managing social housing by managing more than 850,000 houses, both owned and/or belonging to third subjects (FederCasa, 2014).

The housing issue in Italy also relates to factors such as: persisting lack of substantial public resources; evolved map of needs and emergence of new capacities and interests in mobilising resources (not only financial) needed so as to adequately meet the relevant demand. The introduction of new approaches and the emergence of new actors (i.e. *Cariplo* Social Housing Foundation in Milan, and *Compagnia San Paolo* in Turin), regulated by a rather varied national and

regional legislative framework, are in fact experimenting a wide array of housing solutions ranging from rental at *controlled* fees (agreed, moderate/curbed and social rental fees) to sale under subsidised insurance regime, up to future sale agreements. The trend seems to result from the increasingly closer interaction between the public sector (usually municipalities through publicly owned companies) and the private sector, both in the form of investment companies and /or more closely related to no-profit dimensions.

### **§ 37. Ensuring sustainable access to safe drinking water + § 38. Ensuring sustainable access to basic sanitation and drainage**

Access to drinking water in Italy suffers from wide disparities between different geographical regions. Italy first introduced its Integrated Water Service by issuing the Galli Law (Law No. 36/1994) later merged into Legislative Decree No. 152/2006, which implemented EC Directive 60/2000. The Decree does not provide for specific rules and delegates several decisions to management conventions and regional laws and regulations.

Since the 1990s, with the designation of the so-called optimal territorial areas (*Ambiti Territoriali Ottimali – ATO*) for water services management and participation of private parties in management and co-financing of the water network, the number of water services management bodies was reduced from over 8,000 to 115 (2013), thus enabling the Country to attain economies of scale, improve planning activities, and in some cases, bring the service operation closer to the market (OECD, 2013). However, the quality of water services provision is characterised by high levels of dispersion and limited access to wastewater treatment infrastructure. Overall, conflicts and uncertainty characterise the water and sewerage network management – e.g., the transfer of water infrastructure ownership from municipalities to the companies that run the service. The theme of water *ownership* (defined either as an economically relevant service or as a common good) is the focus of the debate, and movements arose for public water. In this regard, initiatives have been conducted within several Municipalities (e.g. Rome, Naples) and Regions. In particular, the relationships between water services and related oversight organisations (and between public services and municipalities) are not clear.

The 2011 national referendum, which *inter alia* repealed the principle of determining the integrated water service tariff based on adequate return on invested capital, did not help improve relations between private or mixed companies managing water services, and the related users and local authorities. In addition, with the recent appointment of the Authority for Electricity and Gas (*Autorità per l'Energia Elettrica ed il Gas – AEEG*), financial management of relevant departments has been strengthened so as to favour more stable investment, also by introducing a new tariff system. Overall, water service efficiency indicators show unsatisfactory performance, revealing both an increase in drinking water introduced into the supply network, and a drop in consumption. In 2012, also the total volume of drinking water increased by 3.8% versus 2008 (9.5 billion cubic

metres). In addition, in the same year, the total volume of cubic meters placed into municipal supply networks is 2.6% higher than in 2008 (i.e. 8.4 billion cubic metres of water for drinking purposes), corresponding to 22.9 million cubic metres per day (385 litres per inhabitant).

On the other hand, in 2012 the daily consumption of per-capita water for drinking purposes amounted to 241 litres – i.e. 12 litres per day less compared to latest 2008 data. Such data are associated with increased water leaks in municipal distribution systems, which continue to be burdensome – in 2012 they amounted to 37.4%, thus higher than in 2008 (32.1%). Regional network dispersions show more critical situations in the Islands and in centre-south Regions, (except Abruzzo and Apulia). With lower levels, also northern Regions seem to undergo generally worsening water leaks along the distribution network (except Valle d’Aosta) (ISTAT, 2014).

Italy’s wastewater treatment capacity turns out to be not yet adequate, with a percentage of population equivalents served by advanced wastewater treatment plants representing approximately 57% of the total in 2008.

However, in 2012 the percentage of civilian origin pollutants treated in secondary or advanced plants was equal to 57.6%, slightly higher than in 2008 (56.5%). Trends are not homogeneous: Apulia, Calabria and Basilicata Regions performed significant improvements, while other southern Regions show modest progress or even worsening features (ISTAT, 2014)<sup>25</sup>.

### **§ 39. Improving access to clean domestic energy**

Italy has introduced several measures to use renewable energy and favour energy saving in their houses. Legislative Decree No. 102/2014 implemented Directive 2012/27/EU, establishing the measures for energy efficiency designed to attain the national energy savings targets for 2020.

Among RESs for electricity production within urban residential areas, the PVC sector is the most important in Italy. Thanks to incentives paid until mid-2013 and mechanisms still in force, such as Net Energy Metering (NEM) and 50% tax deductions, to date Italy hosts over 2,000 MW photovoltaic plants, almost exclusively very small (up to 3 kW) and small sized (from 3 to 20 kW). Furthermore, the Government has recently undertaken a major intervention for administrative simplification introduced by Ministry of Economic Development Decree dated 19 May 2015, namely a consolidated model to manage the procedures for construction, connection and operation of small photovoltaic systems (below 20 kW) integrated on buildings’ roofs.

The incentive mechanism provided by the Thermal Counter (Ministry of Economic Development Decree dated 28 December 2012) is the national instrument for incentivising the production of

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<sup>25</sup> [www.dps.tesoro.it/documentazione/uval/paper\\_alessandro\\_ottelli.pdf](http://www.dps.tesoro.it/documentazione/uval/paper_alessandro_ottelli.pdf)

thermal energy from RESs and small interventions to improve energy efficiency of buildings and small-size plants. At 1 March 2016, over 17,000 requests had been granted incentives, for overall committed incentives exceeding EUR 63 million, of which EUR 51 million related to operations to be undertaken by private entities and EUR 12 million for actions to be implemented by PAs, respectively.

With inter-ministerial Decree dated 16 February 2016, the Ministry of Economic Development took steps to upgrade the relevant mechanism by simplifying both the instrument and access to incentives, and increasing its effectiveness. Among main mechanisms for energy efficiency enhancement within civil-urban areas, it is worth mentioning 65% tax deductions of costs for energy upgrading of buildings. The main results of the mechanism, as from its inception till 31 December 2013, are as follows:

- Overall interventions performed equal to approx. EUR 1.9 million;
- Total investments for approx. EUR 21.8 billion – i.e. or an average, approx. EUR 3 billion annually;
- "Persisting" (i.e. lasting over some decades) energy savings estimated at about 0.9 Mtep/year, with environmental benefits in terms of CO<sub>2</sub> not released into the atmosphere equivalent to over 2 million tonnes/year.

Other *ad-hoc* measures and decrees in favour of energy efficiency are in the process of being adopted, such as *PREPAC (Programma di Riqualificazione Energetica della PA Centrale*, namely the programme for energy qualification within central PAs), aiming to improve the energy performance of central PA buildings and the national Fund for energy efficiency, with which up to EU 500 million will be made available over 7 years to finance actions in this field, both provided for by Legislative Decree No. 102/2014.

With the guidance act issued by the Minister of Economic Development on 10 March 2016, relating to Smart Cities, the first action programme for smart cities was launched. The programme focuses on clearly identified public-private projects, measurable and aimed at promotion of infrastructure and efficient and connected energy services in urban areas, with initially allocated resources equal to approximately EUR 65 million.

With regard to the delicate relationship between energy efficiency and cultural heritage, in October 2015 Italy's Ministry of Culture and Tourism issued specific guidelines published on line.<sup>26</sup>

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<sup>26</sup> [beniculturali.it/mibac/export/MiBAC/sito-MiBAC/Contenuti/MibacUnif/Comunicati/visualizza\\_asset.html\\_345420287.html](http://beniculturali.it/mibac/export/MiBAC/sito-MiBAC/Contenuti/MibacUnif/Comunicati/visualizza_asset.html_345420287.html)

## § 40. Improving access to sustainable means of transport

Demographic, structural and regulatory factors in Italy result in the need for strengthened infrastructure within the urban transport sector. In the first place, the progressive tertiarisation of the economy recorded over the last thirty years has enhanced the role of urban centres within development processes.

The population growth recorded within urban peripheral areas, increased by about 5 million people between 1971 and 2011, has added to the growing urban sprawl. Such phenomena were not accompanied by strengthened infrastructure and transport services, rather by an increasing use of private transport, with an incidence on population equal to 60.9 cars per 100 inhabitants in 2014 (ISTAT, 2016).

Mobility in metropolitan areas – and related congestion phenomena entailing considerable emissions of harmful and polluting substances – is a problem at national level. On 30 September 2009 the European Commission adopted the Action Plan on urban mobility that provides for approx. twenty short and medium-term actions to be implemented by 2012, by which the Commission intended to support urban mobility and develop more environmentally friendly transport policies (more accessible to citizens) and improve traffic conditions. To this end, Italy's legislation has already introduced tools identified by Article 22 of Law No. 340 dated 24 November 2000 – i.e. the Urban Mobility Plans (*Piani Urbani di Mobilità – PUM*).

Italy has recently established the National Observatory on local public transport policies with the purposes of collecting data already available to local authorities, proposing projects for data standardisation, and preparing research and statistical surveys aiming to update the database.

In Italy, the local public transport sector accounts for approximately 1,150 public and private companies (26% performing urban service, 55% performing only extra-urban service, and 19% performing both types of mobility, respectively). Furthermore, as to urban public transport, data reveal contracted demand and reduced supply<sup>27</sup>. In order to encourage the use of local public transport, local authorities have launched some measures aimed at deterring private mobility such as the extension of limited traffic areas in urban centres that between 2002 and 2011 reportedly increased from 0.4 to 0.6 percent. In the same period, availability of pedestrian walkways reportedly passed from 26.1 to 31.9 per cent, and availability of places for every 1,000 cars in exchange car parks with local public transport increased from 12.5 to 16.8 per cent (ISFORT, 2013).

Such interventions are not by themselves sufficient to ensure efficient and sustainable public transport. Nevertheless, increasing levels of services and infrastructure have been identified in centre-northern areas (Piedmont, Lombardy, Autonomous Provinces of Bolzano and Trento, Lazio), while some of Mezzogiorno Regions show decreased levels (Campania, Calabria and, in

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<sup>27</sup> [istat.it/files/2015/06/Mobilita\\_-\\_urbana\\_DEF.pdf?title=Mobilit%C3%A0+urbana++23%2Fgiu%2F2015++Testo+integrale.pdf](http://istat.it/files/2015/06/Mobilita_-_urbana_DEF.pdf?title=Mobilit%C3%A0+urbana++23%2Fgiu%2F2015++Testo+integrale.pdf).

particular, Sicily). The use of local public transport in Italy is still below the EU average: in 2010, only 5.5 per cent of passengers travelled by trains, versus the 7.1 per cent EU average.

However, in favour of sustainable mobility, cycle paths in capital cities increased on average by 18.4 kms per 100 sq. km in 2013 (17.2 in 2011)<sup>28</sup>. In 2013, 22 Italian cities used to offer a car sharing service and 58 used to offer a bike sharing service<sup>29</sup>. Furthermore, info mobility services are increasingly widespread: 56 municipalities use VMSs along motorways and 45 have installed 45 PIDs at public transportation stops. It should also be pointed out that service production costs in Italy are much higher than the EU average (EUR 3.5 against EUR 2.7 for each person carried) – this partly explains the lower number of kilometers covered on average by each employee (17,060 versus 19,763). Furthermore, ordinary ticket prices are almost half (EUR 0.84 versus EUR 1.63) the EU average, with obvious repercussions on traffic revenues.

#### **§ 41. Challenges experienced and lessons learnt in these areas**

With reference to housing problems, recent experiences show that also a different urban policy is needed to ensure inclusion of citizens on which whole sectors of the economy – both formal and informal – now rest. Some punctual experiences helped improve living environments and supply of essential services – i.e. local self-construction projects also promoted through cooperation with NGOs or allocation of housing accommodations to Roma populations in specific areas, so that they are no longer isolated and ghettoised.

Improved rent conditions, associated with support to rental fees or mortgage installments in case of vulnerable or weakened population groups (new poverty but also sudden unemployment and so forth), have been effective within innovative urban policies (combination of social housing projects and social interventions).

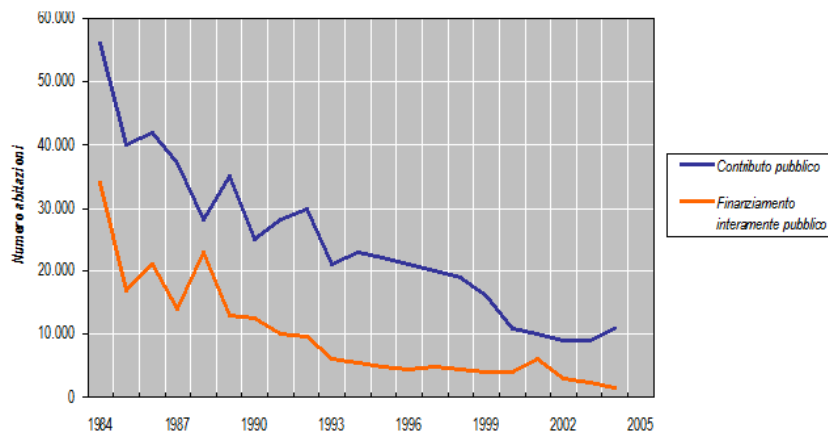
Within the complex geography of public housing actors, a crucial and strongly discussed role concerns historical autonomous housing institutes (*Istituti Autonomi Case Popolari – IACP*), now reorganised into independent regional enterprises. They own substantial assets (over 1.2 million dwellings, which are a still residual volume when compared to several EU Countries) built over a century, yet they are in severe difficulty due to several reasons – e.g. depletion of State resources for conservation, enhancement and strengthening of public housing interventions: over 1984-2004, direct housing production fell from 34,000 to just 1,900 units (fully funded dwellings) and from 56,000 to 11,000 units (dwellings built thanks to public grants).

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<sup>28</sup> Source: “*Statistiche Report*” dated 22 July 2014 (*Qualità dell’ambiente urbano*, [www.istat.it/it/archivio/129010](http://www.istat.it/it/archivio/129010)).

<sup>29</sup> Source: “*Statistiche Focus*” dated 5 December 2014 (*Ambiente urbano: gestione ecocompatibile e smartness*, [www.istat.it/it/archivio/141296](http://www.istat.it/it/archivio/141296)).

**Figure 3**  
**Ratio between public contribution and fully public funding**



Source: *Cresme* 2006

Meantime, despite their original intentions alienation policies (launched in 1993) have been unable to produce sufficient revenues to rebuild even a third of sold assets. According to data provided by Italy's Court of Auditors in 2007, more than 71,000 accommodations were sold in very different ways and at very different prices, also according to the Region involved. Eventually, a number of difficulties in terms of maintenance of housing and common areas have emerged, as well as in terms of rental management and severe inability by *IACPs* (then turned into independent companies) to counteract the dramatic phenomena of illegal construction phenomena. It is therefore important to promote public property reuse and redevelopment, including by addressing the issues of unused below-threshold dwellings and service areas that could be turned into new residences or host social activities (as in the case of some pilot experiences in Milan – San Siro and Lorenteggio neighbourhoods) (SDG 11.1).

With reference to urban mobility, interventions must render local public transport competitive with private transport, and ensure efficient service to all users. Adequate allocation of fixed infrastructure (equipment of Italy's metropolitan cities is much lower than in the four main EU partners) is required, in addition to adequate integration (modal/tariff related) of transportation modes (e.g. regional and local railway lines) (SDG 11.2).

Financial actions are necessary within the provision of incentives for purchase of environmentally friendly vehicles, as well as within the allocation of grants aiming to develop sustainable mobility systems also through major infrastructural projects (e.g. automatic underground lines, automated people movers).

Contribution to development of smart traffic management systems will allow for more rational routing of freights traffic with important effects on improvement of congestion, transportation

speed and costs, and harmful emissions. Via legislative and financial technical resources, national authorities could provide citizens, companies and local authorities with incentive mechanisms for attaining the pursued sustainable mobility objectives. Eventually, experiences of enhanced and efficient use of water and RESs should be promoted, fostered and encompassed into an overall integrated strategy.

## **§ 42. Future challenges and issues in these areas**

The housing issue in Italy is characterised by insufficient housing supply, primarily due to lack of substantial public resources, innovative features related to the new map of needs, and emergence of new capacities and interests in mobilising not-only-financial resources so as to duly respond to such phenomena.

Future challenges mainly concern the opportunity to rethink forms of reception of migrants and weaker people by means of adequate *ad-hoc* housing policies. The dignity of living and dwelling in our Country must be considered a priority. Among the experiences gained in recent years at local level, some innovative urban projects encompass the principle of functional social and generational mix as the core element of the actions undertaken. Other projects introduce co-housing, time banking or “solidarity condominium” initiatives, and encourage the creation of residential areas for young people, aiming to contribute to social and generational revitalisation of troubled neighbourhoods.

In this context, the following proposals become increasingly important:

- Integrating the measures undertaken to ensure access to adequate housing and basic services notably for low-income people in order to effectively address the strong presence of migrants. For migrant populations, it is necessary to define adequate forms of assistance within a collaborative and cohesive framework at both national and EU levels, which combine reception and integration with countering of irregular immigration.
- Promoting implementation of affordable rental housing aiming to a balance between solidarity, social inclusion, right to housing, and real estate market, in order to create inclusive settlements intended to upgrade parts of neighbourhoods and cities, and focusing on *habitability*. Aiming to match housing demand and supply in some cities, interesting experiences related to housing agencies have been set up (Bologna, Turin, Milan, etc.), which can be favoured by means of the *Fondo per la morosità incolpevole* as an important tool to use unsold private property and meet rental housing demand.
- Facilitating the integration of foreign nationals who are legally present in Italy (Article 42 of the Consolidated Text on Immigration) through: information programmes on integration



rights and opportunities; language, civic and professional training; and access to employment. We must promote targeted local integration policies in collaboration with each different level of relevant public and private social institutions. Such bodies represent a link between central PAs and local communities for all and any immigration-related issues, ensuring homogeneity of management policies throughout the Country.

- Adjusting both urban waste management and integrated water service to quality standards, notably in Italy's less developed Regions.
- Avoiding water resources depletion (SDG 6), by improving water purification systems and integrated management systems to respect the values set by relevant EU Directive (2000/60/EEC), with a view to properly resetting waste reduction networks. To such end, it is necessary to ensure a detailed survey and overall improvement of the technological control and detection systems used.
- Increasing local public transport supply by bridging the infrastructure gap between northern and southern Regions, and improving connections between cities and so-called Inner Areas also with neighbouring Countries as allowed by the macro-regional strategy for the Adriatic and Ionian Region (EUSAIR) (SGD 11.2).
- Promoting the adoption of sustainable urban mobility plans comprising a set of interventions on: public transport and road infrastructure; interchange parking facilities; technologies; vehicle fleets; transport demand governance; traffic control and regulation systems; passenger information; measures incentivising public transport and deterring the use of private vehicles; carpooling and car sharing solutions.
- Stimulating smart transport systems for urban mobility intended to direct and manage traffic flows, provide information on routes and related travelling conditions, provide information on public transport availability and journeys, as well as management of electronic ticketing and related payment.
- Promoting the development of logistics and freight transport planning within urban areas, so as to ensure efficient "last mile" delivery.

## VII. Indicators

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Provide data for your country for the following urban indicators. Data should be for 1996, 2006 and 2013, when possible disaggregated by gender.

### i. Percentage of people living in slums

No slums are present in Italy.

### ii. Percentage of urban population with access to adequate housing

The analysis of the housing situation in Italy reveals the presence of severe unease phenomena, slightly increase in recent years, particularly within cities (densely populated areas, with a population density per sq km higher than 1,500), where, in 2014, 10.4% of the population lived in dwellings considered as overcrowded, while also exhibiting at least one of the housing deprivation measures: a leaking roof, no bath/shower and no indoor toilet, or a dwelling considered too dark.

Slightly lower but still significant (8.7% of the population) is the severe housing deprivation rate identified within intermediate density urban areas (cities and suburbs with a population density per sq km between 300 and 1,499).

#### Severe housing deprivation rate in highly urbanised municipalities

Years 2006, 2013, 2014 – % on resident population

<b>(DEGURBA 1 – Cities: Densely populated areas)</b>	<b>2006</b>	<b>2013</b>	<b>2014</b>
<b>Italy – Total</b>	<b>8.7</b>	<b>9.7</b>	<b>10.4</b>
<b>(DEGURBA 2 – Cities and suburbs: intermediate density areas)</b>	<b>2006</b>	<b>2013</b>	<b>2014</b>
<b>Italy – Total</b>	<b>7.2</b>	<b>8.4</b>	<b>8.7</b>

**NOTE:** The urbanisation degree (DEGRUBA) defines the classification, harmonized at Community level, of all LAU2s (local administrative units) in the following three categories: Cities (densely populated areas, Code 1); Cities and Suburbs (intermediate density areas, Code 2); Rural Areas (low population density, Code 3).

The classification of administrative units is based on population percentages (at least 50%) related to the 3 types of cells classified as per residential density value (> = 1,500 inhabitant/sq km; between 300 and 1,499 inhabitant/sq km; <300 inhabitant/sq km).

**Source:** ISTAT, Eurostat, EU-SILC.

It is also worth considering homelessness: in 2014 the national total was about 50,000 people, concentrated in a few large cities in the Country, especially Milan and Rome.

**Homelessness in some large cities. Years 2011-2014 – Absolute values, % of national total and % of city population**

Large Cities	2011	2014	2011	2014	2011	2014
	Absolute values		City resident population - Average		% on Italy's total	
Turin	1,424	1,729	871,816	899,455	3.0	3.4
Milan	13,115	12,004	1,235,543	1,330,662	27.5	23.7
Bologna	1,005	1,032	370,402	385,192	2.1	2.0
Florence	1,911	1,992	356,869	379,122	4.0	3.9
Rome	7,827	7,709	2,611,397	2,867,672	16.4	15.2
Naples	909	1,559	961,884	983,755	1.9	3.1
Palermo	3,829	2,887	658,078	678,492	8.0	5.7
<b>Italy</b>	<b>47,648</b>	<b>50,724</b>	<b>17,518,394</b>	<b>18,242,177</b>	<b>100.0</b>	<b>100</b>

**Note:** Resident population at survey time

**Source:** ISTAT, Survey on the situation of people living in extreme poverty (homelessness)

**iii. Percentage of people residing in urban areas with access to safe drinking water**

Based on latest census figures available, in 2011, the number of people living in dwellings with access to drinking water was approximately 98% of Italy's total population, without substantial differences in province capitals and metropolitan cities. The investments made over the past five years may have filled such very light gap.

**Population living in dwellings served by drinking water supply, by Metropolitan City.  
Year 2011, weighed and restated values by 100 persons living in the dwelling**

Metropolitan cities	Persons living in dwellings with drinking water	Dwelling residents	%
Metropolitan cities – Total	20,623,200	21,105,549	97.7
Province capital cities – Total	16,982,965	17,305,629	98.1
<b>Italy</b>	<b>57,533,863</b>	<b>58,921,309</b>	<b>97.6</b>

**Source:** ISTAT, 2011 Population and Housing Census (long form)

#### iv. Percentage of people residing in urban areas with access to adequate sanitation

In Italy, already in 2011 (latest available census data) the overall population living in dwellings equipped with sanitary facilities (indoor toilet and bath/shower) was slightly less than 100%, with no substantial differences between cities.

**Population living in households with sanitary facilities (shower and toilet), by Metropolitan City.  
Year 2011, values weighed and restated by 100 persons living in the dwelling**

Metropolitan Cities	Persons residents in dwellings equipped with indoor toilet and bath/shower (a)	Dwelling residents (b)	%
Turin	2,214,372	2,223,437	99.6
Genoa	841,735	846,224	99.5
Milan	3,005,065	3,011,799	99.8
Venice	837,888	839,753	99.8
Bologna	965,352	967,231	99.8
Florence	962,795	965,110	99.8
Rome	3,921,412	3,931,673	99.7
Naples	3,015,026	3,034,349	99.4
Bari	1,230,012	1,240,225	99.2
Reggio di Calabria	544,429	548,054	99.3
Messina	1,227,703	1,235,052	99.4
Palermo	638,950	643,687	99.3
Catania	1,066,506	1,072,457	99.4
Cagliari (a)	544,937	546,498	99.7
<b>Metropolitan Cities – Total</b>	<b>21,016,183</b>	<b>21,105,549</b>	<b>99.6</b>
<b>Italy</b>	<b>58,691,265</b>	<b>58,921,309</b>	<b>99.6</b>

(a) Former Province of Cagliari

(b) Population reconstruction with weights.

**Source:** ISTAT, 2011 Population and Housing Census (long form)

#### v. Percentage of people residing in urban areas with access to regular waste collection

Municipal waste collection is guaranteed (since 1996) to 100% of the resident population. The service, in line with the Community principles for recycling maximisation, also ensures the selective waste collection which in 2013 was 35.6% of total waste collected in province capital cities (against 42.3% national average). This percentage is growing rapidly (38.6% in 2014, versus 45.2% national average).

**Population served by municipal waste collection and selective collection/disposal rate (%) –  
Years 2006 and 2013-2014**

	Population served by urban waste collection (%)				Selective waste collection (%)		
	1996	2006	2013	2014	2006	2013	2014
Province capital cities – Average	100.0	100.0	100.0	100.0	23.7	35.6	38.6
Metropolitan cities – Average	100.0	100.0	100.0	100.0	21.3	35.5	38.6
Italy	100.0	100.0	100.0	100.0	25.8	42.3	45.2

*Source:* ISTAT elaboration on Environmental Data in Cities, and elaboration on ISPRA data

**vi. Percentage of people residing in urban areas with access to clean domestic energy**

As per Directive 2009/28/EC, in 2020 Italy will have to cover 17% of final energy consumption from RESs. As for the electricity sector alone, in 2014 the total gross electricity production from RESs increased (+3.6 percentage points compared to 2013 and over 20 points compared to 2006), and so did its ratio to gross domestic consumption, equal to 37.3%. The entire population of cities has access to clean energy through the access to the distribution network and energy transmission. Limiting the observation to installed power for photovoltaic electricity production, we observe the contribution of provincial capitals is equal to approx. 14% of the total, of which nearly 40% concentrated in the City of Rome.

**Electricity consumption covered by RESs – 2006-2013-2014**

*Gross production of electricity from RESs (including hydro) as a percentage of gross domestic consumption of electricity measured in GWh*

	2006	2013	2014
Italy	14.5	33.7	37.3

*Source:* ISTAT elaboration on Terna Spa data

**vii. Percentage of people residing in urban areas with access to public transport**

Since 2006 the local public transport has been active in almost all province capital cities in which the entire population has access to the service (99.9%). Exceptions are two provincial capitals (Sanluri and Villacidro) in Sardinia (a total of about 23,000 inhabitants) which do not have access to the service.

The offer is very diversified: local public transport services offer a total of 4,482 seats/km per inhabitant in 2013, versus 5,048 in 2006. In northern and central cities, the total supply is about 5,500 seats-km for inhabitant, more than twice than in southern cities (2,178). Very high levels (approximately 11,000 seats/km/inhabitant) are identified in Milan and Venice.

**Population with access to local public transport and seat-kilometers offered by local public transport (overall means) in province capital cities broken down by urbanisation level (absolute values, % and per capita) – Years 2006 and 2013**

	Population with access to local public transport					Local public transport offer (all modes)		
	2006			2013			2006	2013
	a.	v.	%	a.	v.	%	Seats-km/inhab.	Seats-km/inhab.
Province capital cities – Average	17,406,486.5		99.9	17,918,960.5		99.9	5,047.9	4,481.9

*Source:* ISTAT, Environmental data in cities

### **viii. Level of effective decentralization for sustainable urban development measured by:**

#### **(i) Percentage of policies and legislation on urban issues in whose formulation local and regional governments participated from 1996 to the present**

There are no statistical indicators. However, in Italy, the process of participation of regional and city administrations in the policy-making and decision-making process is very wide, thanks to the system of permanent State-Regions and State-city Conferences and local autonomies. The Permanent Conference for relations between the State, Regions and the Autonomous Provinces of Trento and Bolzano operates, in fact, within the national community to promote cooperation between the activities performed by the State and the Autonomous Regions and Provinces, respectively, constituting a "privileged forum" within political negotiations between central administration and autonomous regions system. The State-Regions Conference is the forum where the Government acquires the opinions of Regions on the most important administrative and legislative measures of regional interest. The Unified Conference (*Conferenza Unificata*), joint forum of the State-Regions Conference and State-City Conference and local governments, works in order to: promote cooperation between the activities carried out by the State and autonomous entities and systems; examine common interest issues and tasks.

**(ii) Percentage share of both income and expenditure allocated to local and regional governments from the national budget**

The Italian State budget transfers an annual quota of financial resources to local and regional authorities (municipalities, provinces and mountain communities) amounting to approximately 23% of total State expenditure in current values. The bulk transfer is destined to Autonomous Regions and Trento and Bolzano Autonomous Provinces (about 19%), while a residual portion, however, which decreased between 2006 and 2013, is intended for local authorities.

**State Transfers to Regional and Local Administrations (\*) / Total State expenditures (percentage weight)**

	<b>2006</b>	<b>2013</b>
Transfers to Regions	19.4	19.4
Transfers to local authorities	4.3	2.9
<b>Total transfers to Regions and local authorities</b>	<b>23.6</b>	<b>22.3</b>

(\*) **NOTE:** Local Entities: Town Councils, Provincial Administrations and Mountain Communities.

**Source:** Regional Public Accounts System

**(iii) Percentage share of local authorities' expenditure financed from local revenue**

In 2013, the share of spending of regional governments and local authorities (municipalities, provinces and mountain communities) covered by their own revenues amounted on average to 47%, and to nearly 50% if we consider only local governments. Between 2006 and 2013 there was a significant increase in public spending coverage by regional and local governments with resources deriving from own taxes.

**Own revenue and total expenditure of Regional Administrations and Local Authorities (percentage weight)**

	<b>2006</b>	<b>2013</b>
Regional Administrations own revenues / Regional Administrations expenses	35.6	46.0
Local Authorities own revenues / Local Authorities expenses	32.9	49.3
<b>Regional and Local Administrations own revenues / Regional and Local Administrations expenses</b>	<b>34.7</b>	<b>47.0</b>

**NOTE:** Local Entities: Town Councils, Provincial Administrations and Mountain Communities.

**Source:** Regional Public Accounts System

**ix. Percentage of city, regional and national authorities that have implemented urban policies supportive of local economic development and creation of decent jobs and livelihoods;**

There are no statistical indicators available. However, in Italy numerous plans and programmes at national and local level are in force, aimed at economic development of territories.

**x. Percentage of city and regional authorities that have adopted or implemented urban safety and security policies or strategies**

There are no statistical indicators available. However, on the basis of qualitative information we can affirm that regional and local authorities have adopted security policies and strategies, including in coordination with the State Administration.

**xi. Percentage of city and regional authorities that have implemented plans and designs for sustainable and resilient cities that are inclusive and respond to urban population growth adequately**

In order to assess the level of implementation of planning aimed at sustainable management of the territories of Province capital municipalities, *INU* has constructed an indicator that considers various planning tools weighed with respect to their relevance. As follows, the tools selected and the weight system adopted:

**Planning tools and weight structure for relevance weighting**

(a) Presence of municipal plan approved by structural components; Source: INU	2
(b) Presence of provincial plan approved with ecological network structuring; Sources: INU and ISPRA	3
(c) Presence of Action Plan for Sustainable Energy (Sustainable Energy Action Plan – SEAP) with presented action plan; Source: majorsadapt.eu.	
- <i>Covenant of Mayors adhesion signed</i>	0.5
- <i>SEAP presented</i>	1.0
- <i>Current monitoring actions</i>	1.5
(d) Climate Change and planning presented; Sources: majorsadapt.eu, INU	1
(e) 2011-2014 Municipal environmental assets; Sources: ISTAT, urban environmental data	1
(f) 2011-2014 social activities municipal assets; Sources: ISTAT, urban environmental data	1.5
(g) 2011-2014 Participatory project-designing activities at municipal level; Sources: ISTAT, urban environmental data survey	2.0
Weight maximum value	12



The indicator for which maximum value is 12 (sum of weights) was normalised between 0 and 1. Below the table with the results of the evaluation with reference only to metropolitan areas, which shows that in some cities the planning process is by now complete (Venice, Bologna, Rome) or at a very advanced stage (Genoa, Bari, Ragusa). In other cities, the process has only just started or in large part to be completed yet.

### Sustainable development planning – Indicator values

Metropolitan Cities	PLANNING INDICATOR	NORMALISED INDICATOR
Turin	7.5	0.6
Genoa	9.5	0.8
Milan	6	0.5
Venice	12	1.0
Bologna	12	1.0
Florence	9.5	0.8
Rome	11.5	1.0
Naples	3.5	0.3
Bari	8	0.7
Reggio di Calabria	2	0.2
Palermo	4.5	0.4
Messina	3	0.3
Catania	6.5	0.5
Ragusa	8	0.7
Siracusa	3.5	0.3
Cagliari	3	0.3

**Sources:** INU elaborations

Considering all other capital cities we can identify the planning process appears not yet started in only four cities.

### xii. Share of national gross domestic product (GDP) that is produced in urban areas

No data are available disaggregated at the municipal level on gross domestic product, but a significant proxy, only available for metropolitan cities, is the value added. On this basis, it is possible to identify the important role of large cities in the value production (about 40% of Italy's total).

**Added value for total economic assets, broken down by Metropolitan City.  
Years 2006 and 2013, Million/EUR**

Metropolitan city	Million/EUR		% weight on Italy's total	
	2006	2013	2006	2013
Turin	59,525.5	59,749.7	4.3	4.1
Genoa	24,121.7	23,972.5	1.7	1.7
Milan	117,953.7	140,529.8	8.5	9.7
Venice	22,197.1	22,203.2	1.6	1.5
Bologna	30,646.6	33,543.1	2.2	2.3
Florence	28,915.2	31,330.0	2.1	2.2
Rome	128,943.7	134,150.2	9.3	9.3
Naples	50,264.4	49,660.8	3.6	3.4
Bari	21,791.1	22,665.7	1.6	1.6
Reggio di Calabria	8,912.2	8,499.0	0.6	0.6
Palermo	10,476.4	10,085.8	0.8	0.7
Messina	19,896.8	20,458.8	1.4	1.4
Catania	16,995.1	17,312.1	1.2	1.2
Ragusa	10,831.7	11,899.8	0.8	0.8
<b>Metropolitan cities – Total</b>	<b>551,471.0</b>	<b>586,060.3</b>	<b>39.7</b>	<b>40.5</b>
<b>Italy</b>	<b>1,387,889.0</b>	<b>1,446,419.7</b>	<b>100.0</b>	<b>100.0</b>

**Source:** ISTAT, National Accounts

## **Addendum. International cooperation programmes**

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Italy has funded international cooperation programmes aimed at developing skills and innovation in the sustainable urban development sector.

In particular, the Italian Cooperation activities in urban areas over the last twenty years have been based on the Habitat Agenda principles defined in the Habitat II Conference in Istanbul in 1996: adequate shelter for all and sustainable urban development.

Over the last twenty years, in line with this inspiring model, the Italian Cooperation has realised more than 200 projects in urban areas, for a total amount of approximately 1 billion EUR, by means of funding to international organizations, co-funding to NGOs and local authorities and, in some cases, innovative financial instruments such as, for instance, debt conversion.

The approach that has characterized the implementation methods of a large part of urban projects and programmes was based on the participatory process. Urban development requires flexibility and constant adjustment, verification and coordination – spatially – for sectoral policies and strategic planning. It is the only tool that, starting from development of participatory mechanisms, based on socio-economic contexts of Partner countries, leads to more inclusive, dynamic and adaptable urban development plans.

This approach, which does not exclude the use, in parallel, of more traditional instruments such as urban planning, has resulted in a significant commitment in terms of human and financial resources for governance improvement both at central and local levels. This objective was pursued through intensive technical assistance, directed to local and central governments in medium and low income Countries, aimed at more efficient management, participatory and sustainable development of internal resources of the partner Country.

The interventions realised by the Italian Cooperation in urban areas between 1996 and 2015 were the subject of a more detailed report prepared and published by Italy's Ministry of Foreign Affairs and International Cooperation, as a contribution to the Habitat III Conference.

The fields in which they Italian Cooperation projects and programs were implemented at urban level can be grouped into eight main macro sectors: Water, Infrastructure, Social-Poverty and Health, Cultural Heritage, Urban Agriculture, Waste, and Governance.

The analysis of the various initiatives, both implemented and under way, reveals the Italian Cooperation has strongly invested in the implementation of water programmes, building systems and networks for drinking water (e.g. in Kenya with an initiative related to debt conversion), collection and wastewater treatment systems (i.e. infrastructure programmes in Vietnam and Lebanon, as well as the WASH Programme in Ethiopia).

Since the late 1990s, furthermore, several financial resources have been invested in up-grading urban programmes especially in Latin America, where, an innovative political and regulatory environment has enabled intervening in the informal areas of large Latin American cities (Alvorada in Belo Horizonte, Novos Alagados, Ribeira Azul and Viver Melhor in Salvador de Bahia).

The fight against poverty macro-sector is where the highest number of projects was implemented, although it is not the first in terms of resources invested, with particular reference to urban poverty. In view of its multidimensional nature, such macro-sector covers both social and health aspects (social-poverty-health) (Humedal Abras de Mantequilla in Ecuador, SIRP-Serbian Integration of Refugees Programme in Serbia; up-grading programme in the Korogocho slum).

The Italian Cooperation, despite relatively modest investments (around 56 million EUR for 25 projects) has taken on an important role for protection, enhancement and management of cultural heritage. The projects implemented with main Italian Universities and most prestigious schools of restoration (*IsCR* and *Opificio delle Pietre Dure*) are internationally considered "best practices", and the approaches used were, in some cases, also adopted by some international organisations, such as the CHUD (Cultural Heritage and Urban Development) Programme, implemented in Lebanon by the Italian Cooperation with the World Bank, and the Oasis of Siwa and Archeourb Project in Egypt and Morocco, both through "decentralized cooperation" .

A new way of doing cooperation was consolidated in Ital, during the 1990s and in 2000 through which regional and local authorities (Municipalities, Provinces and Regions) increased their international presence by virtue of the devolution process that has greatly enhanced their competences. In this context, the so-called "decentralised" cooperation has enhanced in partner Countries, local autonomy and territory governance, in line with the messages launched by UN-Habitat in Istanbul.

Resources for "decentralised" cooperation interventions mainly derive from Regions, Provinces and Municipalities budgets. There are frequent, on the other hand, cases of projects co-financed by the European Union or Italy's Government, through the Trust Fund managed by multilateral organisations. Other examples of interventions of decentralised cooperation in the urban sector are the initiative for creation of micro-gardens for subsistence food in Dakar; disposal of solid waste in Burkina Faso and disposal of plastic waste in Senegal.

The Italian Cooperation has followed, in the programming of its activities, a system approach that involved, along with the Ministry of Foreign Affairs and International Cooperation (broadcasted on RAI), a number of actors including local institutions, NGOs, universities, research centres. The activities were carried out in collaboration with international organisations (especially those belonging to the United Nations system) and the European Union.

Between 1996 and 2015 the "Mediterranean and Middle East" and "Sub-Saharan Africa" macro-regions received for urban projects and programmes, EUR 454,585,190 and EUR 432,801,081, respectively, while Asia received EUR 86 million; eventually Central America and South America received EUR 83 million. As for the number of completed projects, it was possible to record 80 interventions in Mediterranean and Middle East Countries, 75 in Sub-Saharan Africa Countries, 14 in Asia, while 48 projects are funded in Central and Southern America.

Governance of urban areas in developing countries appears to be one of the crucial challenges of the XXI century: on the success or failure in implementing sustainable cities will probably rest merge the success or failure of the actions implemented for development by public institutions, central and local governments, international cooperation agencies and civil society.

Cities shall in fact be no longer considered as a strictly urban phenomenon, but shall rather be interpreted and addressed in all their many components, through a multi-sectoral approach. The outcomes emerged from the international debate (UNGASS 2015 and Coop21 Paris) now clearly reveals that the town may suffer devastating consequences as a result not only of mismanagement and land use planning, but also of other phenomena (natural and otherwise) that strongly impact on people's quality of life such as security, labour, migration, waste disposal and the consequences resulting from the CO2 emissions.

In light of problems of such importance and complexity, priority should be given to building more resilient, flexible and inclusive cities. Furthermore, it is necessary that the strategic choices are the result of real participatory processes that involve civil society and local governments.

Urbanisation, inescapable phenomenon for the socio-economic development of cities, will have to be accompanied also by the knowledge and experience made available by universities, research centres and development partners, and will have to rely on innovative strategic approaches capable of monitoring phenomena and providing adequate and timely responses. It is necessary to ensure particular care to major sustainable development themes, such as climate, economic and social integration, innovation and governance, in line with what was expressed in the Common European Position.

Today more than ever it appears necessary to ensure joint and coordinated work among institutions, public and private institutions, civil society, as well as the North and the South of the world.

Innovative partnership models are required – that the United Nations Conference Habitat III will discuss, share and re-launch. This way you can start a sustainable process that points to better quality of urban life, notably in developing countries.