

## **“URBAN GOES, JESSICA COMES” OR SUPPORTING URBAN AREAS IN THE EUROPEAN COMMUNITY**

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**ABSTRACT:** *The European Community has noticed relatively early, that the regional policy could not only drift for reducing the economic disparities existing between certain regions, but should support some other important goals. One part of the financial instruments of the regional policy supported expansions in rural development, but the regeneration of urban areas and the sustainable urban development has gradually appeared as new objective.*

*First of all I give a short summary on the background of supporting urban areas. I present the URBAN Community Initiative from its formation to 2006 as the instrument of the European Union's regional policy for supporting urban areas. I review the objectives and the working of the URBAN programme, then I changeover to the URBAN II, which was the second generation of this financial programme.*

*From 2007 the system of the regional policy has basically changed. The new policy, called cohesion policy, continues its' work. It has three new objectives which are being supported by the remainder two structural funds (ERDF and ESF) and the Cohesion Fund. The four Community Initiatives, so the URBAN too, have disappeared in this form. The URBAN II is integrated into the objective “regional competitiveness and employment” and appears within the framework of operational programmes co-financed by the ERDF. Within the framework of the cohesion policy, relating to urban areas, the ERDF may support the development of participative, integrated and sustainable strategies to tackle the high concentration of economic, environmental and social problems affecting urban areas.*

*After studying URBAN and its “afterlife”, in the second part of my presentation I deal with a new financial initiative which can support the sustainable urban development within the European Community after 2007. Creating the JESSICA (Joint European Support for Sustainable Investment in City Areas) was a sort of answer to the request of the Member States and the European Parliament. They have formerly attracted the attention to the need of creating a new financial instrument which concentrates to the regeneration and reformation of urban areas. This new initiative is based on the cooperation between the Commission, the European Investment Bank and the Council of Europe Development Bank, promotes the sustainable investment, and growth and jobs, in Europe's urban areas.*

**KEYWORDS:** *regional policy, economic disparities, rural development, URBAN programme, Joint European Support for Sustainable Investment in City Areas.*

**JEL CLASSIFICATION:** *K 00, K 32*