Europe closer to citizens: the new policy objective 5

Strategies and tools for integrated territorial development in 2021-2027
ESIF support to integrated territorial development in 2014-2020

Horizontal chapter and dedicated instruments in programming documents (PA and OP)

- **Sustainable urban development (SUD):** 5% earmarking in national ERDF allocation
- **Integrated Territorial Investment (ITI):** new delivery mechanism for blending thematic objectives, OPs and funds
- **Community-led Local Development (CLLD):** first time introduced for Cohesion Policy
- Areas affected by poverty and social exclusion
- Contribution to cross-border and macroregional initiatives
- Areas with geographic specificities and demographic challenges

The urban dimension: a specific territorial focus in ERDF

Over the past 25 years, the urban dimension emerged as an integrated approach to address the following four areas of urban development:

1. Strengthening economic prosperity and employment in towns and cities;
2. Promoting equality, social inclusion and regeneration in urban areas;
3. Protecting and improving the urban environment, in order to achieve local and global sustainability;
4. Contributing to good urban governance and local empowerment
Planned:
- More than 9% (EUR 32 billion) of Cohesion Policy funds to integrated territorial development
- Around 8% (EUR 16.5 billion) of ERDF to sustainable urban development

Implemented by end 2018:
- EUR 18.3 billion has been allocated to selected projects (57% of the planned allocation)
- EUR 4.1 billion has been spent (13% of planned allocation)

Available online at: https://cohesiondata.ec.europa.eu/EU-Level/ERDF-CF-ESF-Territorial-delivery-instruments-Imple/i4ed-3nn4
REGIO-JRC collaboration on Integrated Territorial and Urban Strategies

To support knowledge management of EU measures for integrated urban and territorial development by:

• Mapped more than 1000 integrated strategies currently supported by ESIF
• Information on location, implementation mechanism, territorial focus, population, funding, and themes
• Linked with ESIF Open Data Platform

Available online at:
https://urban.jrc.ec.europa.eu/strat-board/#/home
Lessons learned so far in 2014-2020

- Recognition for the integrated approach and the role of cities
  - More than 1000 integrated strategies are supported, around 10% (EUR 32 billion) of Cohesion Policy funds
  - Increased focus on sustainable urban development (8%, way more than 5%), but a rather fragmented urban dimension and initiatives

- Need for simplification
  - Lower implementation rate (34% project selection rate, end of 2017) irrespective to the applied territorial delivery mechanism (ITI, multi-thematic priority axis).
  - Novelty of integrated approaches and complexity of challenges can explain the delays sometimes, but complicated implementation systems can be streamlined.

- More thematic flexibility
  - Thematic focus were often limiting and set before the selection of local strategies without considering the actual development needs and potentials

- Challenges in multi-level and participatory governance
  - Delegation of project selection (IB) was too burdensome, while the actual role and responsibilities of cities and territories remained unclear.
  - Partnership principle should be strengthened when preparing and implementing programmes and strategies. Use of CLLD remained limited in Cohesion Policy.

- Functional area approach and urban-rural linkages
  - Functional area approach was promoted successfully, but difficulties in identifying the exact territorial and thematic focus of integrated strategies.
Legal framework for 2021-2027

Common Provisions Regulation (CPR)
- Policy objectives (Art. 4)
- Tools and requirements for integrated territorial development (Art. 22-28)
  - ITI
  - CLLD
  - Other MS territorial tools

Fund-specific Regulations (ERDF/CF, ETC, ESF+, EMFF)
- Scope
- Specific objectives
- Thematic concentration and other fund-specific focus areas (e.g. urban earmarking for ERDF)

CAP Second Pillar (EAFRD)
- CPR territorial chapter is applicable
- Common set of rules for CLLD (LEADER)
- Overall similar rules retained
Policy objectives

11 objectives simplified and consolidated to 5:

1. **A smarter Europe** (innovative & smart economic transformation)

2. **A greener, low-carbon Europe** (including energy transition, the circular economy, climate adaptation and risk management)

3. **A more connected Europe** (mobility and ICT connectivity)

4. **A more social Europe** (the European Pillar of Social Rights)

5. **A Europe closer to citizens** (sustainable and integrated development of urban, rural and coastal areas and local initiatives)

Horizontal issues:

- Partnership
- Administrative capacity building
- Co-operation between regions and across borders (embeds co-operation in mainstream)

New cross-cutting Policy objective: it can use all investment categories and indicators!
Integrated territorial development
(new CPR Art. 22)

Support from the Funds to be provided for integrated territorial and local development in forms of:

- **ITI**: when a territorial strategy receives funding from multiple priorities, or even programmes, funds or POs

- **CLLD**: when a local strategy is designed and implemented using a specific bottom-up method

- **Other territorial tool**: a territorial strategy receives funding through the new cross-cutting PO5
Focus on minimum requirements
(new CPR Art. 23; 26-27)

- Investments based on **integrated territorial or local development strategies** (cross-sectoral, multi-stakeholder, optionally multi-territorial)
- Relevant local or territorial body that draws up the strategies shall **select or shall be involved in the selection of operations** (multi-level, optionally community-led)

No need to identify intermediate body for the minimum scope of responsibilities!
Sustainable Urban Development in 2021-2027
(new ERDF/CF Art. 9)

Integrated territorial development targeting urban areas, to more effectively tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, including functional urban areas

- All investments under PO5 specific objective 1 (per definition for urban areas)
- All investments under PO1-4 territorial instruments (ITI, CLLD) when targeting urban areas

Minimum 6% of ERDF at national level

Aligned with the tools and minimum requirements for integrated territorial development!
Territorial focus: urban areas
(new CPR Annex 1)

Interventions targeting:

- **Urban neighbourhood**
- Administrative unit of a **City, Town or Suburb**
- **Functional urban area** (It can also cover all actions to promote **urban-rural linkages**)
Territorial focus: other territories
(new CPR Annex 1)

Interventions targeting:

- Mountainous areas
- Islands and coastal areas
- Sparsely populated areas
- Any other types of territories targeted

Territorial focus must be underpinned by common challenges, development needs and growth potentials. Territorial focus will be monitored together with the delivery mechanisms.
Capacity building, cooperation, experimentation

European Urban Initiative
(new ERDF/CF Art. 10)

- Support to capacity building
- Support to innovative actions
- Support to knowledge, policy development and communication

Technical assistance

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Structural Reform Support Programme
Cooperation and synergies:

- **Interreg**: potential for functional areas that require cross-border or transnational cooperation (cross-border metropolitan areas, mountain ranges, etc.)

- **ESF+**: can play a particular role in the integrated development of deprived neighbourhoods and social inclusion in local development

- **EAFRD, EMFF**: integrated strategies in rural and coastal areas, in particular multi-funded CLLDs and Smart Villages

- **Horizon Europe**: development and testing of novel technologies, including for the Smart Cities initiative

- **InvestEU**: market-based support for integrated strategies
Thank you for your attention!

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