

Pillar 2 of the Talent Booster Mechanism

**Technical Assistance Open Call** 

# Regions adapting to demographic change



Technical Assistance Open Call

Guidelines Document

# 1. Background

#### 1.1 Helping regions adapt to demographic change

By 2050, two-thirds of EU regions are projected to have a lower population than their 2019 levels, while nearly 9 of 10 regions are projected to have a higher median age. Demographic change through rapid reductions in population and ageing will negatively affect regions across several domains. It can increase the marginal cost of providing services and infrastructure, especially in areas where densities are low and the population is dispersed, and where a greater share of elderly further increases demands for health care and other services. It can create skill and labour shortages that hamper the provision of goods and services essential to ensure locals' well-being and can risk aggravating outmigration trends and expressions of discontent. It can lead to inefficient land use if built-up land is left abandoned, which results in a patchwork of inhabited and uninhabited land and housing that deteriorates the overall builtenvironment and leads to environmental problems, including land degradation and increased per capita carbon emissions. It can also lead to lower real-estate prices, which can be exacerbated by more and more vacant and abandoned properties. Public finances will also be strongly deteriorated by demographic change, in particular because of fewer working-age people, reduced economic activity and lower property tax revenue. National and subnational finances can encounter a 'scissor effect' wherein revenues fall while expenditures remain stable or even increase, at least per capita. In decentralised systems, this 'scissor effect' on subnational finances can be particularly acute.

The effects of demographic change will most likely be asymmetric. In some regions, demographic challenges are compounded by a low and stagnant number of people with a tertiary education, depriving these regions of the talent needed to offset the impact of this demographic decline. These regions are stuck in a talent development and retention trap, hampering their development potential. Other regions experience a sharp net outmigration of their younger population, face a risk of having similar talent shortages in the future and hence are at risk of falling in such a trap. Tackling such complex challenges requires spatially oriented policies in several areas to respond to demographic change in a smart and sustainable manner.

The Commission Communication <u>Harnessing Talent in Europe's Regions</u>, published in January 2023, focuses on regions that are facing a related set of challenges: a sharp working age population decline in combination with a low and stagnating share of people with a tertiary education, as well as a significant departure of young people. The Communication presents tailor-made, place-based and multi-dimensional solutions, including the use of existing EU funds and initiatives to support regions most affected by the ongoing demographic transition and its side-effects, and to prevent the emergence of new and increased territorial disparities.

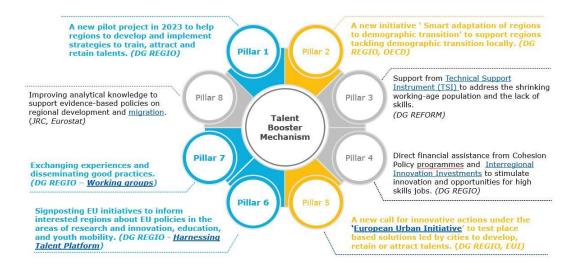
# 1.2 The Talent Booster Mechanism and its support to regions at risk of falling into a talent development trap

In order to help regions deal with demographic challenges, the European Commission has launched a dedicated eight-pillar <u>Talent Booster Mechanism</u> that seeks to boost talent in regions facing or at risk of facing a talent development trap. The Mechanism supports EU regions affected by the accelerated decline of their working age population to train, retain and attract the people, skills and competences needed to address the impact of the demographic transition.

The <u>Harnessing Talent Platform (HTP)</u> hosts a dedicated web presence including analytical insights, good practices gathered from stakeholders, access to relevant sources of information and literature, as well as links to initiatives, events, seminars and funding opportunities. The Harnessing Talent Platform facilitates connections between and among public authorities and relevant stakeholders through the creation of four working groups and the organisation of annual events to enhance dialogue, exchange of experiences and

knowledge building. It also seeks to enhance the understanding of drivers underpinning the talent development trap that affect many regions across the EU, by pursuing its own analytical work in addition to collaborating with academics.

Figure 1. The eight-pillar Talent Booster Mechanism



The current call for expression of interest is part of the new project on 'Smart adaptation of regions to demographic transition' that corresponds to Pillar 2 of the Talent Booster Mechanism and specifically targets regions at risk of falling into a talent development trap. The project will help regions facing high rates of departure, especially of young people, to adapt to the demographic transition and invest in talent development through tailored place-based policies. Dedicated assistance will support selected EU regions facing demographic challenges to develop spatially oriented, smart policy approaches that respond to key issues such as dealing with vacant land and housing, maintaining attractive built-environments, providing infrastructure and services, addressing labour and skill shortages, developing supportive multilevel governance systems, and reforming subnational finances.

# 2. Call for expression of interest

This section provides information and guidelines to facilitate the expression of interest for the support foreseen under Pillar 2 of the Talent Booster Mechanism.

The call for expressions of interest for regions will be open between 14 December 2023 and 14 February 2024. The call will close at 12:00 AM CET (midnight) on 14 February 2024.

In their application, candidates should identify the unique challenges and needs of their region, their current and future efforts to utilise regional assets to address demographic challenges and their motivation to participate in the project. **The only valid way to express interest is via this link to the online EUSurvey questionnaire**. Please complete the survey in English. The deadline for submission of the form is 14 February 2024 12.00 AM CET (midnight).

The selection of regions will be performed by the European Commission Directorate General for Regional and Urban Policy.

# 2.1 Target group

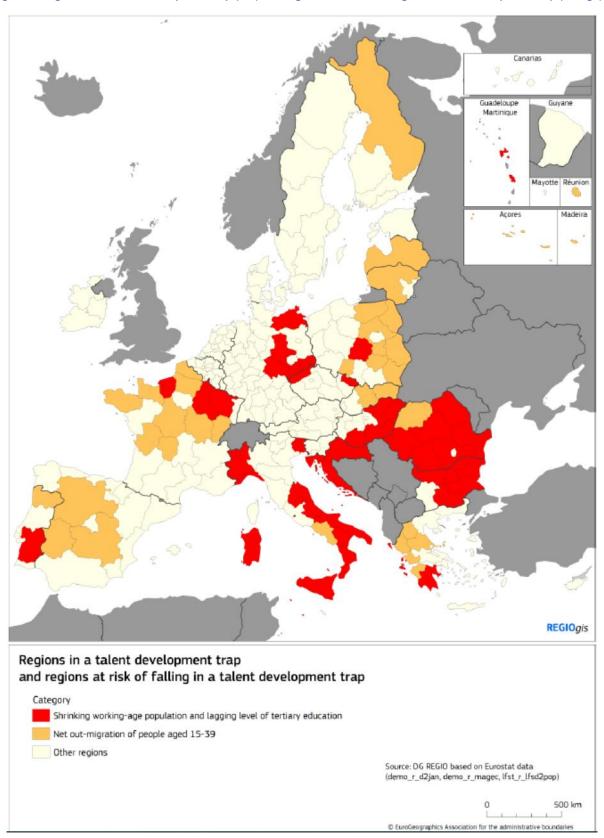
The target group for this support comprises the 36 regions identified by the European Commission Communication <u>Harnessing Talent in Europe's Regions</u> as being at risk of falling into a talent development trap (see regions in Table 1 and in orange in Figure 2 below). These regions are sharply affected by the departure of their population aged 15-39 and are spread across 11 EU Member States.

Table 1. Eligible NUTS 2 regions are those at risk of falling into a talent development trap in the future

MS	NUTS 2 code	Region	MS	NUTS 2 <sup>1</sup> code	Region
EL	EL53	Dytiki Makedonia	FR*	FRI3	Poitou-Charentes
EL	EL54	Ipeiros	FR*	FRY4	La Réunion
EL	EL61	Thessalia	IT	ITF3	Campania
EL	EL63	Dytiki Ellada	LT	LT02	Vidurio ir vakaru Lietuvos regionas
ES	ES41	Castilla y León	LV	LV00	Latvija
ES	ES42	Castilla-La Mancha	PL	PL52	Opolskie
ES	ES43	Extremadura	PL	PL62	Warminsko-mazurskie
ES	ES63	Ciudad Autónoma de Ceuta	PL	PL72	Swietokrzyskie
ES	ES64	Ciudad Autónoma de Melilla	PL	PL81	Lubelskie
FI	FI1D	Pohjois- ja Itä-Suomi	PL	PL82	Podkarpackie
FR*	FRB0	Centre - Val de Loire	PL	PL84	Podlaskie
FR*	FRC1	Bourgogne	PL	PL92	Mazowiecki regionalny
FR*	FRC2	Franche-Comté	PT	PT11	Norte
FR*	FRD1	Basse-Normandie	PT	PT20	Região Autónoma dos Açores
FR*	FRE1	Nord-Pas de Calais	PT	PT30	Região Autónoma da Madeira
FR*	FRE2	Picardie	RO	RO11	Nord-Vest
FR*	FRH0	Bretagne	SK	SK03	Stredné Slovensko
FR*	FRI2	Limousin	SK	SK04	Východné Slovensko

<sup>&</sup>lt;sup>1</sup> The <u>NUTS (nomenclature of territorial units for statistics) classification</u> is a hierarchical system for dividing up the economic territory of the EU and the UK for the purposes of 1) collection, development and harmonisation of European regional statistics; 2) socio-economic analyses of regions, and 3) framing of EU regional policies. NUTS 2 regions are utilised as the basic regions for the application of regional policies.

Figure 2. Regions in a talent development trap (red) and regions at risk of falling in a talent development trap (orange)



# 2.2 Eligibility criteria

This section presents the territories and related public authorities eligible to submit an application:

- Geographical scope: the 36 regions at risk of falling into a talent development trap, determined as regions with an average annual crude net-migration rate of the population aged 15-39 of less than -2 per 1 000 residents of that age between 1 January 2015 and 1 January 2020. These regions belong to 11 Member States: Finland, France, Greece, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovak Republic and Spain. The list of eligible regions can be found above (Table 1 above).
- Territorial scope: NUTS 2 regions, or smaller territorial areas in the exceptional cases specified below.
- Type of applicants (see Table 2 for list by country):
  - Eligible applicants are regional administrations with implementing powers at a NUTS 2 level in the countries where these are in place:
    - In Greece, Italy, Poland and Spain, where there is a regional public administration covering the entire NUTS 2 territory.
    - o In **France**, where there is a regional public administration covering the entire NUTS 2 territory. In exceptional cases, where the regional administration territory is larger than the NUTS 2 region, the regional administration can apply on behalf of the eligible NUTS 2 region (e.g., Normandie can apply for Basse-Normandie; Bourgogne-Franche-Compté can apply for Bourgogne and/or Franche-Compté; Hauts-de-France can apply for Nord-Pas de Calais and/or Picardie; Aquitaine can apply for Poitou-Charentes and/or Limousin).
  - As an exception, and only in the Member States where there are no NUTS 2 regional administrative bodies that cover the entire NUTS 2 territory, the following applies:
    - In Finland and the Slovak Republic, where there are no regional administrations covering the entire NUTS 2 territories, the eligible applicants are the lower-level NUTS 3 regional administrations within the eligible NUTS 2 regions.
    - In Latvia and Lithuania, where the NUTS 2 area corresponds to the entire national territory, the eligible applicant is the competent national ministry, who may focus on one or several NUTS 3 regions in its territory.
    - In **Portugal**, the eligible applicants are the Commission for Regional Coordination and Development for Norte and the regional administrations of the two autonomous regions of Azores and Madeira.
    - o In **Romania**, the North-West Regional Development Agency can apply.

Table 2. Type of applicant(s) by country

Country	Targeted applicants				
Finland	Public administrations of regions (Maakunta)				
France	Public administrations of regions (Régions)				
Greece	Public administrations of regions (Peripheria)				
Italy	Public administrations of regions (Regioni)				
Latvia	Ministry of Environmental Protection and Regional Development				
Lithuania	Ministry of the Interior				
Poland	Public administration of regions (Województwo)				
Portugal	The Norte Portugal Regional Coordination and Development Commission and the public administrations for the autonomous regions ( <i>regiões autónomas</i> )				
Romania	Nord-Vest Regional Development Agency				
Slovak Republic	Public administrations of regions (Samospravne Kraje)				
Spain	Public administrations of autonomous communities (comunidades autónomas) and public administrations of autonomous cities (ciudades autónomas)				

#### 2.3 The selection process

Support under Pillar 2 will be delivered to 10 EU regions in two waves consisting of five regions per wave. Support will be provided according to the timeline outlined in the last section of this document.

The 10 regions will be selected according to the following process:

- Applications that provide responses to all required sections of the questionnaire will be considered as meeting the minimum quality threshold and be retained for evaluation.
- Applications will be evaluated and ranked based on the scoring of each specific selection criteria detailed in the following section of this document.
- Five regions will be selected for Wave 1 based on the overall score achieved in the evaluation and the guiding principles for selection (detailed below). Five regions will be selected for Wave 2 once the Wave 1 regions are decided.

For regions selected for Wave 2, applicants will be required to provide a letter of commitment re-confirming their interest to participate 3 months prior to the commencement of that Wave. Regions selected for Wave 2 will be encouraged to participate in Wave 1 activities prior to the commencement of Wave 2, including the launch event, study visits, policy seminars and the closing event.

#### 2.3.1 Selection criteria

Regions will be selected based on a balance of criteria that aim to assess their need for support as well as their motivation to facilitate the implementation of the project. Through the dedicated application, applicants shall develop the following aspects:

- Unique challenges and needs of the region: regions shall describe in a clear and concise manner the unique challenges they face, and the risks involved with falling into a talent development trap. For example, these challenges may include increased per capita costs of providing services and infrastructure; managing empty housing and land while maintaining liveable and attractive built-environments; developing and investing in workforce talent while providing employment opportunities for the working-age population; promoting lifelong learning and integrating elderly population into society and economy; and providing equal social and economic opportunities for all. In addition, regions shall describe difficulties that hinder their effective response to such challenges, which could include lower income levels and higher unemployment, lower educational attainment, digital divides, fiscal pressures and pressure on regional and municipal government capacity, among other areas.
- Current and future efforts to utilise regional assets in addressing demographic challenges: regions shall provide information on their current and future policies, strategies, statutory and strategic plans or other regional initiatives that seek to address the demographic transition and the risks associated with falling into a talent development trap. These could include policies and plans addressing potential gaps in the provision of education, health, childcare and other public services; investments to improve the built-environment and maintain a sense of place; the streamlining of service delivery and infrastructure networks; the demolition and renovation projects to address vacant land and buildings; measures to reform municipal finances, including identifying new and innovative sources of revenues; measures to sustain regional and local government capacity and measures to maintain employment and curb the out-migration of the working-age population. Additionally, regions could elaborate on existing or potential cooperation and collaboration efforts with other regions and institutions to train, retain and attract the people, skills and competences needed to address the impact of demographic transition.
- Motivation: applicants should concretely describe how they plan to incorporate the policy responses
  developed in this project, and how resources will be mobilised to enable the implementation of the
  suggested recommendations and options for action. The applicant shall also demonstrate readiness
  to commit appropriate resources, in particular to actively liaise with the technical experts throughout

the project, host meetings, events and missions, and to provide data and support to facilitate expert analyses.

### 2.3.2 Guiding principles for selection

The support offered to regions seeks to provide a concrete and tailored assessment and policy recommendations to regions at risk of falling into a talent development trap. On the basis of the principles outlined below, the selection of regions will aim to ensure a diversity of regional realities and representativeness across multiple domains. When selecting the regions, particular attention will be devoted to the following aspects:

- Diversity and typology of regions: to maximise the impact of the expert support and ensure that the proposed regional policy pathways can be harnessed by regions beyond this project, consideration will be given to the diversify of the selection of regions across multiple factors, including: country, location (Southern, Eastern, Central, Baltic, etc.), geography (urban, intermediate, rural, coastal, mountainous, etc.), type of institution involved in the project (regional government, national ministry, regional development agency, etc.), and type of regional challenges faced (youth outmigration, employment, service/infrastructure provision and quality, sustainability, etc). The selection of regions will take into consideration regional territorial specificities stemming from but not limited to Article 174 TFEU, which include rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.<sup>2</sup> The level of development of regions and the institutional capacity of their administrations will also be considered as part of the guiding principles for selection.
- Vulnerability: vulnerability to the challenges faced by regions will be considered on the basis of
  selected descriptive quantitative indicators corresponding to the broad areas of support. These areas
  include demography, subnational finances, educational attainment, land use, the environment and
  income. These indicators will primarily utilise Eurostat data and will be retrieved by the evaluation
  committee.
- Willingness, capacity and potential to support implementation: consideration will be given to
  regions that express a strong willingness to participate in the project, as well as commitment in
  providing the (in-kind) resources needed to support the expert work.

#### 3. Type of support provided

The purpose of the support is to assist regional authorities in addressing the demographic transition that is exacerbated by the risk of falling in a talent development trap. A dedicated assessment report will be developed, tailored to the needs of the region. It will include analyses and recommendations across key policy sectors, as well as an action plan to guide policy implementation. Opportunities for policy dialogue will also be provided to the regions via dedicated workshops and events. The precise objectives and scope of the policy analyses, recommendations and policy dialogues will be defined and agreed upon in the inception phase in close dialogue between the beneficiary and DG REGIO.

Subject to their specific needs and priorities, each selected region will benefit from specific analyses and policy recommendations across the following areas:

• An assessment of land use and spatial planning systems. This analysis would help to develop spatial planning frameworks that promote efficient land use and facilitate the effective and efficient provision

<sup>&</sup>lt;sup>2</sup> See <a href="https://eur-lex.europa.eu/EN/legal-content/summary/cohesion-policy-to-deliver-the-europe-2020-strategy-2014-2020.html">https://eur-lex.europa.eu/EN/legal-content/summary/cohesion-policy-to-deliver-the-europe-2020-strategy-2014-2020.html</a> and <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12016E174">https://eur-lex.europa.eu/legal-content/summary/cohesion-policy-to-deliver-the-europe-2020-strategy-2014-2020.html</a> and <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12016E174">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12016E174</a>.

- of infrastructure and services, especially for young populations, while also dealing with and managing land and housing vacancies;
- An assessment of the needs and costs relating to infrastructure investment, operations and maintenance for the efficient and adequate provision of road infrastructure, public transport connections and digital infrastructure.
- An assessment of service provision needs, including the impact on revenues and costs of key services
  including childcare, education and healthcare, based on accessibility and cost considerations. This
  would include an analysis of policies to support equal access to these services and broader inclusion
  also in the view of ageing population (e.g. through targeted services), while helping the elderly
  contribute to community life and promoting intergenerational solidarity.
- An analysis of the multi-level governance system that supports policymaking and service provision.
   This would include a mapping of actors and existing multi-level governance arrangements, as well as an analysis of the impact of demographic change on these arrangements.
- An analysis of the impact of demographic transition on subnational finances. Focus would be put on
  the ability to provide public services and infrastructure and the impact on expenditure, revenues,
  budget balance, debt levels and the long-term stability of local government finances. The analysis
  would also look at the role of fiscal rules and central government in steering public service delivery,
  as well as the possible need to adapt the intergovernmental transfers and the local tax system.
- Additional analyses could cover one or more of the following areas: local employment trends across
  demographic groups (e.g. gender, age), talent missing due to skill and labour shortages, skill and
  employment policies to reintegrate and retaining adult workers in the local labour force, regional
  'barriers to child raising'. Priority would be given to solutions that can be supported through cohesion
  policy interventions, for example through investments or by encouraging adequate regional reforms.

# 4. Specific activities and deliverables

Each selected region will benefit from the following outputs and activities:

- One kick-off event that will provide an introduction to the project, share current knowledge on the topic, support interactions with other participating regions and plan the timeline for reach regional study.
- Two study visits for the technical experts to exchange with regional stakeholders, collect data and
  identify the challenges and possible solutions related to demographic change. The study visits will
  provide the region with the opportunity to exchange with and learn from the technical experts.
- An optional policy workshop with key regional stakeholders that could be organised in the context
  of one of the study visits to better understand who is doing what, facilitate dialogue and agree on
  common objectives and implementation steps.
- One region-specific assessment report that provides analyses, policy recommendations and an action plan for implementation across key policy sectors to respond to the identified territorial challenges linked to the demographic transition. The report will focus on analysing the key issues and corresponding regional and national policies that are relevant to tackle the identified challenges from a territorial perspective. The goal will be to develop tailored recommendations and identify growth paths or priority areas for investments through the analysis of the territory's future needs.
- One region-specific, policy highlights document summarising the main findings and recommendations presented in the region-specific report.
- One regional event, upon request from the participating region, where technical experts can present
  and discuss findings of the analyses in a more tailored manner. The overall event would need to be
  organised by the region itself.

- One policy seminar per wave of participating regions, bringing together stakeholders from the participating regions, peer reviewers, community leaders, and international experts to discuss the topics and analyses covered in the region-specific reports. The aim of the seminar will be to present the study findings, reflect on the proposed recommendations and action plans, and provide opportunities for dialogue and exchange between regional stakeholders.
- One final event for each wave of participating regions. The event will assemble policy makers from the international, national and regional levels to secure high-level backing for the policy recommendations developed by the experts and ensure their wide dissemination. The final event will include workshops to bring together authorities and policy actors from each region, international experts and stakeholders from other regions and EU Member States. The workshops will aim to present pathways for the implementation of the policy recommendations.

The expert support, the reports and the policy documents will be provided in English. The region-specific policy highlights document will be provided in both English and the local language.

Regions are expected to ensure the appropriate interpretation services during events, in case it is deemed necessary. **No direct funding is provided to the beneficiaries as part of this support**.

Applicants' attention is drawn to the fact that the provision of support services to the 10 selected regions is subject to the entry into force of the European Union Contribution Agreement 2023CE16BAT084.

# 5. Project timeline

- Kick-off event: April 2024
- Wave 1 activities (first batch of 5 selected regions): March 2024 May 2025
  - Study visits (2 per region): May September 2024
  - Policy seminar for Wave 1 regions: February March 2025
  - Final event: May 2025
- Wave 2 (second batch of 5 selected regions): June 2025 December 2026
  - Study visits (2 per region): September 2025 January 2026
  - Policy seminar for Wave 2 regions: August September 2026
  - Final event: November December 2026

#### 6. Contact information

If you have questions, please do not hesitate to contact the HTP Secretariat directly: TA@harnessingtalentplatform.eu