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Europe closer to citizens: the new priority objective 5

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Regional and urban Policy

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

What is integrated?

Multi-sectoral

Multi-level

Multi-stakeholder

Multi-territorial

Community-led

Shared management

(Partnership + Multi-level governance)

COHESION POLICY

Integrated	Place-based
Macroregional strategies	Transnational/cross-border
Partnership Agreement	National
Programmes	Regional/national
Territorial strategies (Art. 23)	Functional *(Functional urban area)*
Local strategies (Art. 26)	Subregional *(metropolitan region)*
	Local admin *(City/town/suburb)*
	Community *(urb. neighbourhood)*

What is Integrated territorial development? (Art. 22)

Policy objective 5 + territorial instruments

- **ITI (PO1-5)**
- **CLLD (PO1-5)**
- **Other (PO5)**

SUD 6%

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Why Cohesion Policy needs an integrated and place-based approach?

- to connect European and global priorities with the specific development needs of each territory
- to address complexity of territorial and urban challenges in an integrated way
- to empower regions, cities and local communities to take actions

What is an Integrated Territorial Investment?

- A voluntary **programming tool** for integrated territorial development
- Allows for combining different thematic objectives and **funding from at least two priority axes** of one or more OPs
- Can support sustainable urban development (SUD) strategies or any other **territorial strategies**

(Art. 36 of CPR, Art. 7 of ERDF)

Related guidance notes are available online at:
https://ec.europa.eu/regional_policy/sources/wikiguidance/regiowiki/index.html

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What are the delivery mechanisms?
(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

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Focus on minimum requirements
(new CPR Art. 23; 26-27)

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

No need to identify intermediate body for the minimum scope of responsibilities!

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The urban dimension: a specific territorial focus in ERDF

Over the past 30 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.**

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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!

Lessons learned - Poland

Added value of ITI-s

- **best practice** for SUD implementation in Polish **metropolitan ITI-s**
- provide an **integrated response** to identified functional area needs
- activate **partnership relationships** (building trust, integrating, reducing unnecessary competition)
- **increase effectiveness** of cohesion policy support
- promote thinking and cooperation **beyond administrative borders**
- promote **long term strategic planning**
- increase **awareness and ownership** of investments at local levels
- **localisation** of cohesion policy
- **demystify** EU funds at local levels
- improve **capacity** of local administration
- **exchange of good practice** between municipalities

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Lessons learned - Poland

Challenges

- need for EU guidance, but **no single formula exists**
- **establishing cooperation takes time,** slower implementation in the beginning
- flexibility of regulations also opened space for **different interpretations and gold plating** (important role for national policy frameworks and governance arrangements)
- programming constraints can limit **thematic flexibility** and increase complexity (OP structure, thematic and top-down intervention logic, different fund specific rules etc)
- reluctance in the **delegation of responsibilities** to subnational actors
- difficulties in effective **monitoring and evaluation** of integrated approaches at EU level (diversity, many soft and intangible benefits)

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Investment priorities for PO5

- *Reinforce the role of **metropolitan areas** as drivers of growth, innovation and productivity*
- *Counteract the negative effects of urban sprawl, including air pollution, and rationalise the provision of public services, esp. in **metropolitan areas and their agglomerations***
- *Accelerate socio-economic regeneration of declining areas, particularly in **small and medium cities**, including deprived urban neighbourhouds, post-industrial zone and within regions in industrial and low-carbon transition*
- *Reinforce **urban–rural linkages**, in particular through investments in smart and innovative solutions addressing mobility challenges*
- *Mitigate the impact of demographic changes and poverty, especially in **rural areas***

Future territorial approach

- *Ensure inclusive programming in line with partnership principle*
- *Ensure timely update of the strategies*
- *Rely on the best practice and experience from the current perspective – regional and sub-regional ITI-s*
- *Make adjustments when needed based on a thorough needs analysis*
- *Extend the functional area approach to other cities*
- *Optimise ITI implementation*
- *Support CLLD implementation as a bottom-up tool*
- *Establish a sustainable model of ITI financing*
- *Explore use of FI for ITI-s (rely on best practice)*
- *Define coordination functions for the ITI-s*

Programming

- *Support from the Funds should be provided for the purposes of **integrated territorial development** (Article 22 CPR). This may take any of the following forms: ITI, CLLD or another tool supporting initiatives designed by the Member States for investment programmed for the ERDF under PO5.*

- ***ITIs and CLLDs** may receive support from priorities **programmed under any of the five policy objectives**. Therefore support for ITIs and CLLDs programmed under the relevant policy objectives would count towards the **thematic concentration** target (PO1 and PO2 for the ERDF). The enabling conditions have to be respected. This enables addressing interlinked development needs through a **policy mix** customised to targeted territories.*

Programming

- *ITI is the simplest way **to link enabling conditions**, **thematic concentration** and **urban earmarking**.*

- ***Other MS tools** receiving ERDF support should be **programmed under PO5** in order to be considered as providing support for integrated territorial development. They do not count for fulfilling the thematic concentration but they count for the 6% urban earmarking. No enabling conditions have to be applied.*

- *The **ESF+** will also be able to **support integrated territorial development** and use its tools. These tools will be programmed under PO4. CLLD is considered an important instrument for the delivery of the specific objectives supported by the ESF+ (Art 13 ESF+ - strengthening bottom up approaches based on partnerships).*

SUD Programming

- *Within the framework of **sustainable urban development**, it is necessary to support integrated territorial development in urban areas in order to more effectively tackle economic, environmental, climate, demographic and social challenges, including **functional urban areas**, while taking into account the need to promote urban-rural linkages.*

- *Investments for **SUD** could be programmed in the form of an **ITI** or using **CLLD**. They can also be programmed under **another territorial tool** provided it is programmed under PO5.*

- *Increased focus on sustainable urban development by proposing to dedicate at least **6% of the ERDF resources at national level**.*

Strategies

Content of territorial strategies

As a minimum, the following aspects should be set out in the strategy:

- *the geographical area covered by the strategy,*
- *an analysis of the development needs and the potential of the area;*
- *a description of an integrated approach to address the identified development needs and potential;*
- *and a description of the involvement of partners in accordance with Article 6 of the CPR proposal in both the preparation and in the implementation of the strategy.*

Strategies

Responsibilities and involvement of relevant authorities/bodies

Territorial strategies should be drawn up under the responsibility of the relevant urban, local or other territorial authorities or bodies (Article 23(2) CPR proposal) which can receive support for this purpose (Article 23(5) CPR proposal).

Additionally, urban, local or other territorial authorities should be involved in the selection of operations. If the strategy contains a list of operations to be supported complying with the territorial strategy, this requirement should be considered fulfilled. There is no obligation for further involving relevant bodies in the selection process as they were involved in the drafting, including the list of projects.

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Questions?

Thank you for your attention!