Support in enhancing regional and territorial dimension in programming documents for EU Funds 2014-2020
IPA2007/HR/16IPO/001-050401

EU COHESION POLICY 2014-2020

Introduction to “Sustainable Urban Development”

Workshop
May 2014
**Introductions**

**KE1: Team Leader – Richard Harding**

**Over 24 years in economic development and EU Structural Funds**
- 8 years in EC - DG REGIO - over 40 OPs with territorial focus
- Involvement in Croatia since 2008 – UK Adviser EU Cohesion Policy

**KE2: Alec Fraser**

**Economic development research professional for over 29 years**
- Ex-ante Evaluator or Developer of more than 30 EU-funded Plans, Programmes and Strategies – LEADER, URBAN, Romania PA 2014-2020
- JEREMIE and JESSICA Instruments - evaluation and programming

**KE3: Vedran Đulabić**

**Specialist in Croatian, local/regional government for past 10 years**
- Current Law on Regional Development – key drafter
- Croatia’s Chapter 22 negotiations with EC - adviser to MRDEUF
**ESSENTIAL REFERENCE MATERIAL**

**EU Cohesion Policy 2014-2020 - published Regulations**

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Delegated Acts

- Further elaboration by EC on ‘non-essential’ (i.e. non-controversial) aspects of approved Regulations

Implementing Act(s)

- for aspects where common approach from Member States needed
  - e.g. Templates for Partnership Agreement / Operational Programmes, ‘e-cohesion’ requirements etc.

Guidelines

- e.g. Sustainable Urban Development, Integrated Territorial Investment (ITI), Community-led Local Development (CLLD) etc.
Europe 2020 Strategy

Strategy for ‘smart, sustainable and inclusive’ growth

1. Poverty
   – 20m people out of risk of poverty and exclusion

2. Climate change
   – Reduce greenhouse gas emissions by 20% compared to 1990
   – Increase share of renewables to 20% final energy consumption
   – 20% increase in energy efficiency

3. Education
   – Reduce school drop-out rates below 10% (15% today)
   – 40% of 30-34 year-olds with tertiary education (31% today)

4. Research and development
   – Increase public and private investment in R&D to 3% of GDP (1.9% today)

5. Employment
   – 75% employment rate for women and men aged 20-64, plus greater labour market participation of marginalised groups
EU Cohesion Policy 2014-2020
11 Thematic Objectives

1. Strengthening research, technological development and innovation
2. Enhancing access to, and use and quality of, information and communication technologies
3. Enhancing the competitiveness of SMEs (for the ERDF), the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF)
4. Supporting the shift towards a low-carbon economy in all sectors
5. Promoting climate change adaptation, risk prevention and management
6. Protecting the environment and promoting resource efficiency
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
8. Promoting employment and supporting labour mobility
9. Promoting social inclusion and combating poverty
10. Investing in education, skills and lifelong learning
11. Enhancing institutional capacity and an efficient public administration
EU Territorial Agenda 2020

What is Territoriality About?

• In 2008 the EU Treaty amended to economic, social and territorial cohesion

• EU Programmes for 2014-20 should not be ‘spatially blind’, identifying:
  
  o integrated actions for Sustainable Urban Development

  o main priority areas for cooperation, taking account of macro-regional and sea basin strategies

  o where appropriate, integrated approaches to specific needs of:

    - geographical areas most affected by poverty or of target groups at highest risk of discrimination or social exclusion

    - geographical areas which suffer from severe and permanent natural or demographic handicaps
Sustainable Urban Development
ERDF Regulation – Article 7

...recognising the key contribution of competitive places to growth
‘Sustainable Urban Development’
...a ‘more holistic’ approach for 2014-2020

• Minimum 5% of MS ERDF allocation for integrated urban strategies
  - tackling economic, environmental, climate and social challenges
  - taking into account the need to promote urban-rural linkages

• Member States to select target cities
  - principles for selection to be detailed in Partnership Agreement (PA)

• Details on implementing arrangements to be included in Operational Programmes (OPs) concerned
‘Sustainable Urban Development’
Strategy and integration

• Integrated strategy for ‘Sustainable Urban Development’ in each target urban area is a pre-condition

• Selection and approval of strategies is a Member State responsibility

• EU funding to support integrated actions contributing to at least two Thematic Objectives
‘Sustainable Urban Development’
Local decision making on project selection

• Urban authorities to be responsible, at least, for the tasks relating to the selection of operations
  - allowing for a final eligibility check by the Managing Authority

• Managing Authority to determine the scope of tasks to be undertaken by urban authorities, concerning the management of integrated actions
  - decision to be taken in consultation with the urban authority
  - Managing Authority must formally record its decision in writing
Integrated Territorial Investment
Croatia’s chosen delivery mechanism for ‘Sustainable Urban Development’

Diagram from Commission Factsheet on ITIs – May 2012

Common Provisions
Regulation – Article 36
Integrated Territorial Investment (ITI)

- Optional delivery mechanism requiring integrated investment under more than one Priority Axis or more than one OP

- Those parts of the Priority Axes identified will be implemented in a joint manner

- Possible delegation of implementation tasks
  - e.g. to a local government body, or other entity
  - flexibility in depth and type of delegation

- OP(s) concerned must set out an indicative financial allocation for ITIs
  - allocation is for ITIs taken together
  - MS therefore needs to take an early view on what is likely to be the content and balance of ITIs
Example Integrated Territorial Investment

Source: EC DG REGIO - December 2011

- **Priority axis 1 (ERDF):** strengthening ICT applications for e-government, e-learning, e-inclusion and e-health
  - EUR 10 million

- **Priority axis 2 (ERDF):** enhancing the competitiveness of SMEs
  - EUR 50 million

- **Priority axis 3 (ERDF):** supporting the shift towards a low-carbon economy in all sectors
  - EUR 50 million

- **Priority axis 4 (ERDF):** action to improve the urban environment, including regeneration of brownfield sites and reduction of air pollution
  - EUR 40 million

- **Priority axis 5 (ESF):** reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education
  - EUR 20 million

- **Priority axis 6 (ERDF):** investing in education, skills and lifelong learning by developing education and training infrastructure
  - EUR 20 million

ITI FOR THE INTEGRATED DEVELOPMENT OF CITY X
EUR 200 million (ERDF+ESF)
Integrated Territorial Investment (ITI)  
Relationship with Sustainable Urban Development strategy

• ITI target area must be covered by a single integrated strategy
  - i.e. not just separate Municipal-level type strategies

• ITI may support only part of an urban area covered by an integrated strategy
  - any other EU and/or national Funding for the area, outside the ITI, should also be governed by the integrated strategy

• ERDF, ESF and Cohesion Fund within an ITI may be ‘complemented’ by resources from EAFRD and EMFF
  - with respective allocations identified in the relevant Rural Development and/or Fisheries programmes
EC-funded innovative actions for Sustainable Urban Development

...building on URBACT experience

€330m EC budget governed by Delegated Act

• EU-level calls for projects - open to urban areas of over 50,000 population

• Maximum grant per urban area = €5m

EU-level urban platform

• Capacity building and networking between cities

• Membership open cities implementing integrated ‘Sustainable Urban Development’ interventions