



# **Integrated territorial and urban strategies: how are ESIF adding value in 2014-2020?**

Final Report

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## **Abstract**

The 2014-2020 regulatory provisions to EU Cohesion policy gave Member States new opportunities to use ESIF for sustainable urban development and other territorial strategies, particularly using Integrated Territorial Investment. This study examines how Member States are responding to these new provisions and how Cohesion policy is 'adding value' to regional, urban and local development.

The study shows that there has been significant uptake of territorial strategies in 2014-2020, mainly in the form of sustainable urban development, across most Member States. Many of the strategies are new; the territorial provisions have encouraged innovation and adaptation in both thinking and practice. This innovation includes a more integrated approach to intervention, the implementation of strategies at different spatial scales, and more collaborative models of governance.

There is scope for extending the use of territorial strategies in future, albeit with simplification of some of the regulatory requirements and more flexibility in programming. There is a need for institutional capacity-building to ensure efficient implementation at local level and greater emphasis on citizen engagement. Lastly, more attention needs to be given to monitoring and evaluating the outcomes of strategies.



## **About this document**

This document is the final deliverable of the Service Contract No. 2015CE160AT041 – ‘Study on *Territorial strategies supported by EU territorial tools (sustainable urban development under Art. 7 ERDF, ITI and CLLD when related to SUD)*’. The study was carried out by the European Policies Research Centre (EPRC), University of Strathclyde, Glasgow, United Kingdom.

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## CONTENTS

1.	INTRODUCTION .....	1
2.	BACKGROUND .....	3
2.1	Theoretical underpinning of integrated place-based approaches.....	3
2.2	Overview of territorial provisions in previous programme periods.....	6
2.3	Overview of territorial provisions in the 2014-20 period.....	7
3.	DATA-GATHERING AND METHODOLOGY .....	13
3.1	Strategy collection .....	14
3.2	Strategy-mapping.....	17
3.3	Strategy fiches .....	18
4.	ANALYSIS OF STRATEGIES .....	21
4.1	Implementation mechanisms .....	21
4.1.1	ITI, priority axis, OP .....	21
4.1.2	Community-Led Local Development.....	22
4.2	Geographical dimension .....	24
4.3	Thematic dimension.....	32
4.3.1	Challenges and objectives identified in the strategy .....	32
4.3.3	Investment priorities .....	35
4.3.4	Thematic integration and intervention logic .....	37
4.4	Knowledge dimension .....	39
4.4.1	Development of the strategies .....	39
4.4.2	Linkages to previous strategies .....	41
4.4.3	Consultation .....	44
4.4.4	Approval process.....	46
4.4.5	Planning horizon .....	47
4.5	Governance dimension.....	48
4.5.1	Implementation arrangements .....	49
4.5.2	Implementation Tasks .....	53
4.5.3	Monitoring and evaluation .....	60
4.6	Approaches to Measurement.....	61
4.6.1	Approaches to monitoring .....	62
4.6.2	Indicator systems.....	63
4.6.3	Evaluation .....	66
4.7	Financial allocations.....	67
4.7.1	Multi-fund approaches .....	70
4.7.2	Financial instruments.....	72
4.7.3	Other forms of financing .....	74
5.	SYNTHESIS AND ASSESSMENT: CHALLENGES, ADDED VALUE AND LESSONS .....	76
5.1	Challenges.....	76
5.2	Added Value .....	81
5.2.1	New or strengthened strategic frameworks.....	82
5.2.2	Integrated governance, strengthened implementation capacities...83	
5.2.3	Experimentation, innovation with interventions .....	84
5.3	Lessons learned and good practice .....	85
6.	TYPOLOGIES .....	87
6.1	Member State typology .....	87
6.2	Strategy-based typologies .....	88
6.2.1	Territorial scope typologies.....	89

6.2.2 Implementation mechanism typology.....	91
7. OVERALL ASSESSMENT AND POLICY RECOMMENDATIONS.....	97
7.1 General conclusions.....	97
7.2 Implementation mechanisms – new tools for new approaches.....	99
7.3 Geography: new spatial scales for intervention .....	99
7.4 Thematic dimension: effective integration of TOs, though some tensions.....	100
7.5 Knowledge: innovative practice but capacity challenges .....	101
7.6 Governance: collaborative management.....	101
7.7 Funding mechanisms: mainly non-repayable grants but some FIs.....	102
7.8 Measuring effectiveness .....	102
7.9 Policy recommendations.....	104
7.9.1 Regulatory recommendations.....	104
7.9.2 Programming recommendations.....	106
7.9.3 Implementation .....	107
7.10 Future research .....	108
7.11 The post-2020 reform debate.....	109
ANNEX 1 – NATIONAL EXPERTS .....	111
ANNEX 2 – LIST OF STRATEGIES MAPPED .....	113
ANNEX 3 – SHARE OF POPULATION AND TOTAL AMOUNT OF ESIF FUNDING COVERED BY MAPPED STRATEGIES.....	124
ANNEX 4 –STRATEGY FICHES .....	126
ANNEX 5 - DEMOGRAPHIC STATISTICS SUD STRATEGIES BY MEMBER STATE .....	128
ANNEX 6 – STRATEGY SELECTION NOT YET COMPLETED.....	129
ANNEX 7 - RESPONSIBILITIES OF URBAN AUTHORITIES AND MANAGING AUTHORITIES....	131

## **INDEX OF ABBREVIATIONS**

C&IoS	Cornwall and the Isles of Scilly
CFC	Centre Franche Comté
CLLD	Community-Led Local Development
EAFRD	European Agricultural Fund for Rural Development
EFSI	European Fund for Strategic Investments
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ETC	European Territorial Cooperation
EU13	European Union 13 (new Member States)
IB	Intermediate Body
IP	Investment Priority
ITI	Integrated Territorial Investment
LAG	Local Action Group
LAU	Local Administrative Unit
LDR	Less Developed Region
MDR	More Developed Region
OP	Operational Programme
PA	Partnership Agreement
PrAxis	Priority Axis
SEA	Strategic Environmental Assessment
SME	Small and Medium-sized Enterprise
SUD	Sustainable Urban Development
TEN-T CEF	TEN-T Connecting Europe Facility
TO	Thematic Objective
TR	Transition Region
TSID	Territorial Strategies Identification Database
UA	Urban Authority



## 1. INTRODUCTION

This is the final report for the study of the integrated territorial and urban strategies supported by European Structural and Investment Funds. It provides an analysis and synthesis of integrated place-based strategies implemented as part of the Cohesion policy framework in the 2014-20 programme period. The aim of the study has been to analyse the implementation of the integrated place-based strategies within sustainable urban development under Article 7 of the ERDF Regulation, Integrated Territorial Investments and Community-Led Local Development (when CLLD is closely linked to territorial and urban strategies). Specifically, the study has the following objectives:

- to collect all the relevant individual urban and territorial strategies that have been developed in accordance with the new territorial provisions;
- to establish a database with a minimum of 400 strategies with comparable factual information based on the above;
- to identify good practices in the use of the new territorial provisions based on an in-depth analysis of a sample of 50 strategies;
- to analyse differences and similarities among the set-up and implementation of the 50 urban and territorial strategies and identify factors that explain them; and
- to outline a methodology for measuring the effectiveness of these new provisions in the coming years (contained in a separate report).<sup>1</sup>

This report provides:

- the background to territorial provisions in EU Cohesion policy, explaining the theoretical and conceptual underpinning of the approach as well as detailing the regulatory provisions and experience with similar approaches in previous programme periods and the 2014-20 programme period (Section 2);
- the methodology of the study, with an overview of the source collection and data-gathering process (Section 3);
- an analysis of the mapped strategies and strategy fiches, which examines the mechanisms by which they are implemented – for sustainable urban development strategies, these are: Operational Programme (OP), priority axis (PrAxis) and Integrated Territorial Investment (ITI), and Integrated Territorial Investment for non-sustainable urban development strategies, as well as information on Community-Led Local Development (CLLD) – the different dimensions of integrated place-based approaches (geographical, thematic, knowledge, governance), approaches to measurement (more details can be found in separate report on measuring the effectiveness of territorial provisions), financial allocations (Section 4);
- a synthesis and assessment of the key challenges, added value and lessons (Section 5)
- a synthesis of the findings presented in a number of typologies (Section 6); and
- conclusions, key findings and policy recommendations (Section 7).

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<sup>1</sup> Ferry M, McMaster I and van der Zwet, A (2017) *Study of the territorial strategies supported by EU territorial tools, Draft Report: Methodology for Measuring the Effectiveness of Territorial Provisions*, Final Report to the European Commission, European Policies Research Centre, University of Stathclyde.



## 2. BACKGROUND

### 2.1 Theoretical underpinning of integrated place-based approaches

Territorial tools have gained prominence in Cohesion policy as part of a shift to place-based policy-thinking and practice. In particular, the urban dimension of Cohesion policy was strengthened in the 2013 reforms of the European Structural and Investment Funds (ESIF) for the 2014-20 period.<sup>2</sup> Developments in thinking about place-based approaches<sup>3</sup> were particularly influential in the debate on reforming Cohesion policy in the mid/late 2000s and were given credence by a number of reports.<sup>4</sup> The 2009 Barca Report argued that such policy interventions are superior to spatially-blind interventions, which too often assume a top-down approach.<sup>5</sup> In essence, integrated place-based approaches rely on local knowledge, capital and control over resources, as well as a locally developed strategic framework in order to facilitate endogenous growth.

#### Box 1: Definition of integrated place-based approaches

- A long-term development strategy with the objective of reducing persistent inefficiencies in specific places;
- the production of bundles of integrated, place-tailored, public goods and services, designed and implemented by eliciting and aggregating local preferences and knowledge through participatory political institutions, and by establishing linkages with other places; and
- promoted from outside the place by a system of multi-level governance where grants subject to conditionalities on both objectives and institutions are transferred from higher to lower levels of government.

**Source:** Zaucha J and Świątek D (2013) *Place-Based Territorially Sensitive and Integrated Approach*, Warsaw.

In this sense, integrated place-based approaches are concerned with the efficiency of policy, i.e. how policy interventions can achieve full capacity or endogenous growth potential of territories. The basic principle of a place-based approach is that exogenous interventions through conditional grants of integrated bundles of public services and goods can be achieved in many different ways (no one-size-fits-all). Selecting the appropriate way to instigate reforms is contingent on the local context, and hence local knowledge is necessary to determine the most appropriate solutions for a particular place. Place-based policies do not assume that the exogenous State knows better.<sup>6</sup>

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<sup>2</sup> Tosics I (2015) *Integrated Territorial Investment – A Missed Opportunity?* Paper presented at Challenges for the New Cohesion Policy 2014-2020, 2nd Joint EU Cohesion Policy Conference, Riga, 2–4 February 2015.

<sup>3</sup> van der Zwet A and Mendez C (2015) *Towards a Europe of the Localities? Integrated place-based approaches in Cohesion policy in 2014-20 and beyond*. Paper presented at Challenges for the New Cohesion Policy 2014-2020, 2nd Joint EU Cohesion Policy Conference, Riga, 2–4 February 2015.

<sup>4</sup> Barca F (2009) *An Agenda for a Reformed Cohesion Policy, A Place-Based Approach to Meeting European Union Challenges and Expectations*. DG Regio, Brussels; Farole T, Rodríguez-Pose A and Storper M (2009) *Cohesion Policy in the European Union: Growth, Geography, Institutions*, Working Paper for the Barca Report, European Commission, Brussels. OECD (2009a) *How Regions Grow*. Paris: Organisation for Economic Growth and Development; OECD (2009b) *Regions Matter: Economic Recovery, Innovation and Sustainable Growth*. Paris: Organisation for Economic Growth and Development.

<sup>5</sup> Barca (2009) *op. cit.*

<sup>6</sup> *Ibid.*

Instead, the exogenous State sets a policy framework that invites local actors to express their views, to cooperate, to develop new beliefs, and to build trust.

The place-based approach can be, but is not necessarily, consonant with wider Cohesion policy equity objectives (i.e. reducing regional disparities in the EU28). Although, as the Barca Report notes, so-called lagging regions are especially prone to be stuck in 'underutilisation traps', and it is recognised that the growth potential of one region is greater than others.<sup>7</sup> To a certain extent, the growth of urban regions, for example, can have a negative impact on the endogenous characteristics of peripheral regions (i.e. outward migration). With respect to equity, the Barca Report focuses on the extent to which place-based policies can facilitate social inclusion (in other words, internal equity). However, it has less to say about external equity (i.e. between territories).

Similar points are made in more recent research on the direction of Cohesion policy after 2020. They emphasise the need for more territorial differentiation and distinctiveness in policy responses to the challenges of structural adaptation, combined with stronger institutional capacity especially at regional and local levels.<sup>8</sup>

Conceptually, place-based approaches consist of a number of interlinked dimensions. Although the literature does not explicitly identify such dimensions, they can be distilled from some of the key contributions in recent years. Barca describes the added value of place-based approaches as follows:

'to reduce persistent inefficiency (underutilisation of the full potential) and inequality (share of people below a given standard of well-being and/or extent of interpersonal disparities) in specific places, through the promotion of bundles of integrated, place-tailored public goods and services, designed and implemented by eliciting and aggregating local preferences and knowledge through participatory political institutions, and by establishing linkages with other places'.<sup>9</sup>

The statement captures a number of overlapping dimensions.

1. First, a **geographical dimension** relates not simply to structuring intervention according to existing administrative boundaries, but also involves the integration of '*specific places*' and providing '*linkages with other places*'. In other words, it is about establishing functional territory that crosses administrative boundaries in order to improve effectiveness of development interventions. By targeting the specific requirements of an area, the effectiveness of the public interventions is improved.<sup>10</sup> The integration of territory is logically accompanied by the introduction of coordination mechanisms that aim to improve and harmonise interventions carried out by and across administrative territories. Territorial integration can consist of:

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<sup>7</sup> *Ibid.*

<sup>8</sup> Bachtler J, Oliviera Martins J, Woster P and Zuber P (2017) *Towards Cohesion Policy 4.0: Structural Transformation and Inclusive Growth*, Regional Studies Association Europe, Brussels; European Commission (2017a) 'Competitiveness in low-income and low-growth regions: the lagging regions report', Commission Staff Working Document, SWD(2017) 132 final, Brussels; European Commission (2017b) *My Region, My Europe, Our Future: Seventh Report on Economic, Social and Territorial Cohesion*, Luxembourg: Publications Office of the European Union; Iammarino S, Rodriguez-Pose A and Storper M (2017) *Why Regional Development Matters for Europe's Economic Future*, DG Regio Working Papers WP 07/2017, European Commission, Brussels.

<sup>9</sup> Barca (2009) *op. cit.*

<sup>10</sup> European Parliament (2016) *Report on New Territorial Development Tools in Cohesion Policy 2014-2020: Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD)*, Brussels.



- strategies that are drafted and agreed by multiple local administrations that are part of a functional territory;
  - the implementation of strategies through joint approaches between local administrations that are part of a functional territory; and
  - the establishment of new umbrella organisations that cover several local administrations which are part of a functional territory or the delegation of new responsibilities to already existing umbrella organisations.
2. Second, integrated place-based approaches aim to increase the **integration of interventions** or, as put by Barca, *'bundles of integrated, place-tailored public goods and services'*. This dimension involves the integration of sectoral policies and interventions in an attempt to improve their effectiveness and to establish a more integrated approach to regional/urban development. Synergies can emerge through combining funds from different schemes for well-targeted local initiatives. The thematic dimension relates closely to the need to concentrate funding and prioritise areas of spending. In practical terms, thematic integration can involve:
- integration of strategic objectives from multiple local strategies;
  - inclusion of investment priorities from multiple thematic objectives;
  - use of different funding streams;
  - integration of domestic and European thematic priorities; and
  - integration of public and private funding streams.
3. A third dimension relates to **knowledge integration** or, as put by Barca, *'eliciting and aggregating local preferences and knowledge'*. The assumption here is that the use of a more integrated approach changes working practices and the capacity to deliver and implement territorial development policy to be more efficient and more effective in domestic institutional structures, particularly at the local level. Knowledge integration can relate to:
- facilitating strategic thinking and enforcing prioritisation of actions and concentration of resources at local levels, which are particularly important factors in a climate of austerity and cuts to public budgets;
  - providing opportunities for capacity-building at the local level, empowering local communities in implementing social and economic development initiatives, and endorsing participative governance and public participation in the strategic development of an area; and
  - enabling new thinking and innovative approaches.

Lastly, there is a **governance dimension** that involves *'participatory political institutions'*. This relates to the extent to which vertical and horizontal relationships between partners are strengthened and responsibilities are shared to establish a more integrated approach to regional/urban development. The integration of territory is logically accompanied by the introduction of coordination mechanisms that aim to improve and harmonise interventions carried out by and across administrative territories. In practical terms, this type of multi-level integration relates to:

- sharing and delegation of responsibilities for the implementation and management of ESIF to local levels of government; and
- creation of new institutions, or the integration of new functions in relation to the implementation of integrated development strategies and policies, which facilitate vertical and horizontal multi-level partnerships.

The perceived EU added value in relation to all these dimensions is that they collectively encourage and enable the introduction of integrated place-based approaches in Member States where they have not been widely used in the past. It also offers an opportunity for More-Developed Regions to integrate ESI Funds in domestic strategies and engage in knowledge-exchange activities.

## **2.2 Overview of territorial provisions in previous programme periods**

Territorial provisions have played a relatively small but significant role in previous programme periods. For example, the Urban Community Initiative, first launched in the 1994-99 period, continued in the 2000-06 period, and integrated in the Investment for Growth and Jobs programmes in the 2007-13 period, encouraged urban areas and neighbourhoods to design innovative, integrated urban development measures. Under the European Territorial Cooperation programme, URBACT was set up in 2003 and has sought to foster sustainable integrated urban development in cities across Europe. URBACT is mainly a knowledge-exchange platform, enabling networking between cities and identifying good practice. The LEADER approach was established in 1991 and has become an important element of rural development, and since 2007 it has also been used within the EMFF to support sustainable development in fishing communities. CLLD was introduced for the 2014-20 period, based on the LEADER instrument.

The new emphasis on integrated place-based approaches under Cohesion policy in the 2014-20 period follows from the formalisation of territorial cohesion as an objective for the EU in the Treaty on the Functioning of the EU (TFEU) and the subsequent regulations for European Structural and Investment Funds approved in 2013. According to the Territorial Agenda of the European Union,<sup>11</sup> territorial development policies should address the following issues:

- increased exposure to globalisation and structural changes caused by the global economic crisis;
- new challenges for European integration and growing interdependence of regions, territorially diverse demographic and social challenges, and spatial segregation of vulnerable groups;
- climate change and environmental risks that have geographically diverse impacts;
- growing energy challenges threatening regional competitiveness; and
- loss of biodiversity, and growing vulnerability of natural, landscape and cultural heritage.

The nature of these challenges is thought to require an integrated mix of interventions in order to increase their impact and to exploit fully the development potential of different types of territories. There is a particular focus on fostering sustainable urban development (SUD) through integrated strategies in order to strengthen the resilience of cities.

An overview of how territorial investment has been supported in the 2007-13 programme period is provided in the ex-post evaluation of urban development.<sup>12</sup> This includes an analysis of investments in the fields of urban development (Code 61) and social infrastructure (Codes 75-78) in the 2007-13 period. A key question is the extent to

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<sup>11</sup> Territorial Agenda of the European Union 2020 (2011) *Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions*. Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development. 19 May 2011, Gödöllő, Hungary.

<sup>12</sup> European Commission (2015) Ex post evaluation of Urban Development and Social Infrastructures, Final Report, Work Package 10, available at : [http://ec.europa.eu/regional\\_policy/sources/docgener/evaluation/pdf/expost2013/wp10\\_final\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/expost2013/wp10_final_en.pdf)

which they were delivered in an integrated fashion. The total amount of ERDF funding allocated to selected projects supporting urban development and social infrastructure at the end of 2013 was calculated as €29 billion. This represents 11 percent of the total ERDF allocation of which four percent relates to urban development and seven percent to social infrastructure. Urban development investments are unevenly distributed, with 45 percent allocated in four countries (IT, PL, EL and DE). Some countries did not invest at all (AT, DK, FI, HR, IE, LU, RO, SE), whereas in other countries 14-19 percent was programmed for these provisions (NL, CY, BG and BE). Smaller cities and towns received a high proportion of funding when compared to metropolitan and larger cities.

In terms of programming, territorial provisions were in some cases delivered through a specific priority axis, but more commonly these policy areas were covered by priority axes with a broader thematic scope. The programmes did not describe the strategic framework, which was instead defined at the local level, and accordingly there appears to be limited evidence at the programme level of the use of integrated approaches in the 2007-13 period. However, qualitative evidence from stakeholders suggests that there is a much greater level of integrated approaches than the OPs suggest and that integration is commonplace in local-level intervention.<sup>13</sup> The ex-post evaluation suggests that Member States implemented integrated approaches differently, focusing on integrated strategy development, support for multi-level partnerships, or integration at the project level.<sup>14</sup>

In terms of achievements, activities related to urban development range from investments in deprived areas and economic growth to supporting cultural heritage and strategy development. In the EU13, key areas of achievement range from infrastructure improvements (water, sewerage, schools, housing and cultural centres) and renovation of buildings to actual development of urban integrated development plans and strategies. In relation to social infrastructure, notable achievements are linked to the improvement or establishment of new facilities, especially in Member States with a large financial allocation to education and health infrastructure. In regions with a lower ERDF allocation for social infrastructure, achievements are identified as being mainly better cooperation, new IT systems and better education and training.

### **2.3 Overview of territorial provisions in the 2014-20 period**

Turning to the 2014-20 period, there are a number of important differences compared to previous periods. First, the overall funding allocation for integrated place-based approaches has increased. According to the indicated territorial delivery mechanisms in the OPs, around nine percent of the Cohesion policy budget (EUR 31 billion) will be spent through the various territorial provisions. Second, there is a regulatory requirement to implement integrated place-based approaches in cities. Third, the integrated approach in general is emphasised. Fourth, more information regarding the implementation of integrated place-based approaches is required at the programme level. Fifth, there is more attention for knowledge diffusion (e.g. providing guidance, scenarios, participation in urban networks, peer-to-peer review, etc.).

The use of Article 7 for the implementation of ERDF makes integrated urban development a compulsory feature of the ESIF regulation. One of the main goals of the approach is to empower cities. As such, a novel feature of the regulation is the requirement to delegate implementation tasks to cities for interventions that are programmed as part of the minimum five percent ERDF share to implement SUD. Furthermore, the regulation encourages the introduction of innovation and experimentation (Urban Innovative Actions, Article 8 of Regulation 1301/2013) and the introduction of an Urban Development Network to deepen the discussion on the implementation of the urban dimension (Article 9 of Regulation 1301/2013).

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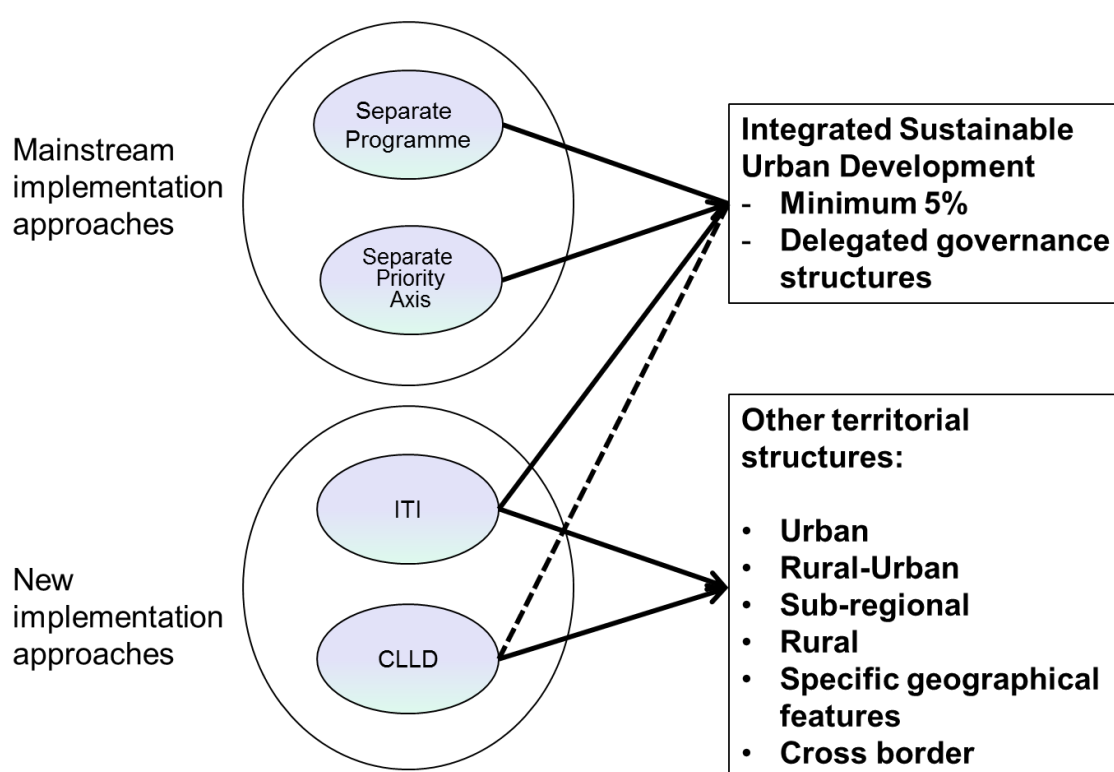
<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

Article 7 can be implemented using a number of different approaches and instruments. Figure 1 provides an overview of these possibilities. SUD can be implemented through so-called mainstream approaches (i.e. in a similar way to how other ESI Funds are implemented) as either a separate Operational Programme (OP) or a separate mixed priority axis. SUD can also be implemented through an Integrated Territorial Investment (ITI) strategy. This new tool provides a framework for thematic/sectoral integration.

Community-Led Local Development (CLLD) can also contribute to SUD strategies. CLLD provides a bottom-up participatory approach to ESIF implementation generally and can also be used in the urban context. However, ITI and CLLD have a broader application. ITI can also target functional areas, such as rural, rural-urban and cross-border areas, and territories with specific geographic features.<sup>15</sup> CLLD can also contribute to the implementation of these non-SUD ITI strategies.

**Figure 1: Mechanisms for implementing integrated place-based approaches in Cohesion policy**



**Source:** Van der Zwet A, Miller S and Gross F (2014) *A First Stock Take: Integrated Territorial Approaches in Cohesion Policy 2014-20*. IQ-Net Thematic Paper 35(2), European Policies Research Centre, University of Strathclyde, Glasgow.

Financial data indicates that 114 ERDF-funded OPs are using Article 7. Eighteen Member States have a single national or multi-regional OP that covers SUD, and ten Member States have more than one OP (half of them are regional OPs in France, Italy and Poland).

Financial allocations to SUD differ considerably (see Figure 2). The total allocation of ERDF funding to SUD is €14.5 billion, which represents 7.8 percent of ERDF funding. In real terms, the largest share of funds is allocated in those Member States with large Cohesion policy budgets (PL, IT, RO, ES, HU, DE, FR, PT and BG). Around half of all

<sup>15</sup> Van der Zwet A, Miller S and Gross F (2014) *A First Stock Take: Integrated Territorial Approaches in Cohesion Policy 2014-20*. IQ-Net Thematic Paper 35(2), European Policies Research Centre, University of Strathclyde, Glasgow.

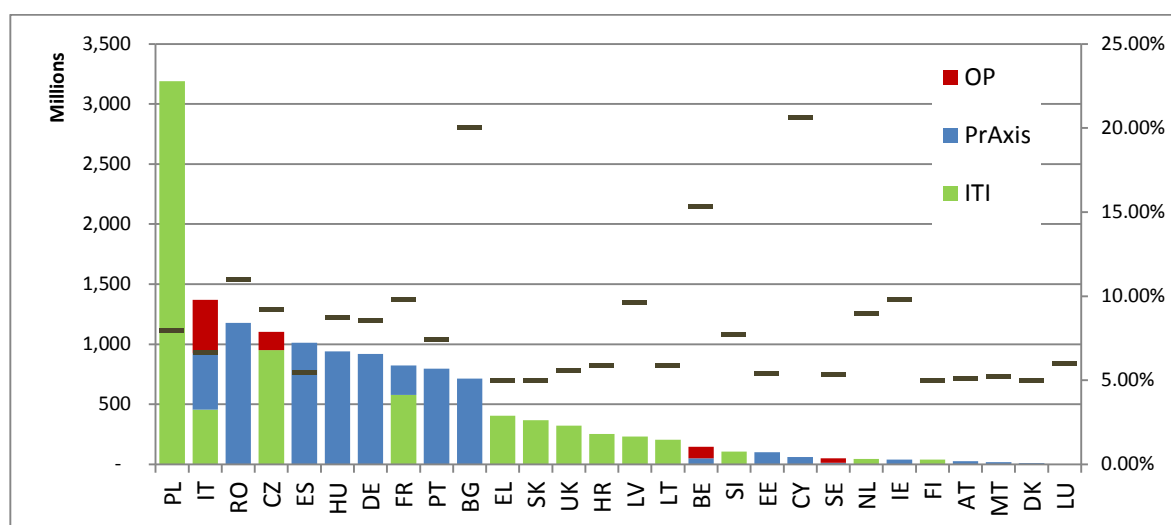
Member States allocate more than the ring-fenced five percent funding (Cyprus and Bulgaria are highest, with 20 percent, followed by Belgium with 15 percent, and Romania with 11 percent).<sup>16</sup> This additional allocation can be explained by the following factors:<sup>17</sup>

- historical precedent – where there was already a strong urban dimension to policy interventions, e.g. Politique de la ville (FR), Soziale Stadt (DE);
- urban characteristics – degree of urbanisation and extent of urban challenges;
- level of decentralisation – devolved competencies extended to cities; and
- programming challenges – for example, thematic concentration especially in smaller OPs where funding has to be concentrated to achieve sufficient effects, leading to a greater proportion of the budget allocated to SUD in order to achieve this impact.

SUD tends to be primarily implemented through ERDF, but in some cases Member States also make use of multi-fund OPs, priority axes or ITI in which other funds (ESF, EAFRD, CF and EMFF) can contribute.

Four countries (BE, CZ, IT and SE) are using – among other delivery mechanisms – a dedicated OP to implement SUD. Fifteen Member States are using ITI either entirely (EL, FI, HR, LV, LT, LU, NL, PL, SI, SK, UK) or partly (CZ, FR, IT, SE), which represents around half of the total allocated budget (€7.1 billion). Sixteen Member States are implementing Article 7 through a priority axis either entirely (AT, BG, CY, DK, DE, EE, ES, HU IE, MT, RO, PT) or partially (IT, FR, BE, SE).

**Figure 2: Financial allocation to SUD (Article 7 ERDF) as a percentage of national ERDF resources**



**Source:** Matkó M (2016) *Sustainable urban development in Cohesion policy programmes 2014-2020, a brief overview*. Paper presented at Urban Development Network Meeting, 18 February 2016.

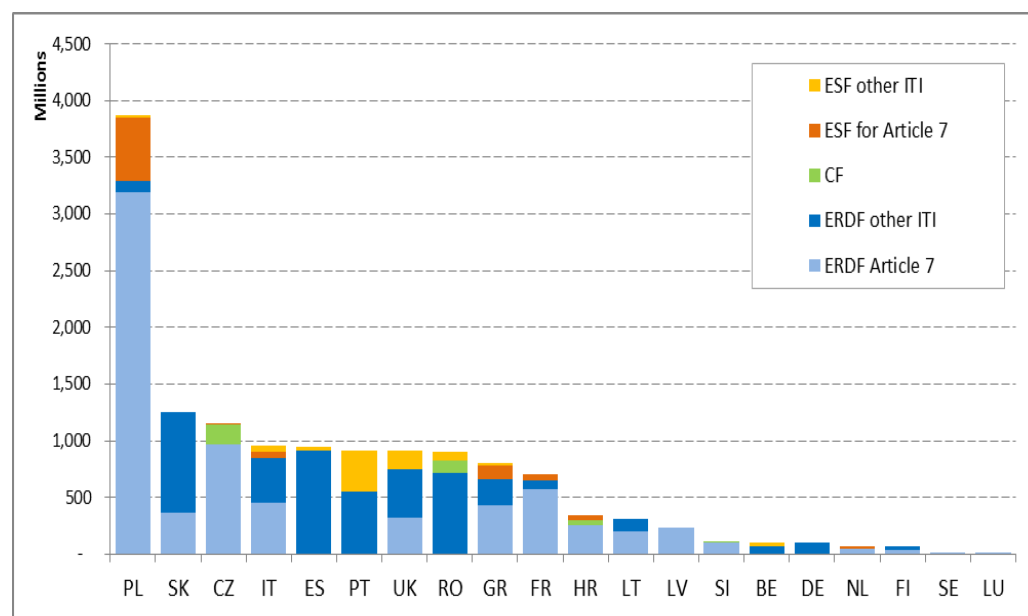
In terms of geographic targeting, the largest part of the allocated funding is spent in Less Developed Regions, €10.1 billion (70 percent). Transition Regions receive €1.6 billion (11 percent) and More Developed Regions €2.8 billion.

<sup>16</sup> Matkó M (2016) *Sustainable urban development in Cohesion policy programmes 2014-2020, a brief overview*. Paper presented at Urban Development Network Meeting, 18 February 2016.

<sup>17</sup> Van der Zwet A and Bachtler J (2015) *Support for Regional Operational Programme 2014-2020: Guide for Sustainable Urban Development*. Report to the World Bank, European Policies Research Centre, University of Strathclyde, Glasgow.

ITI also allows Member States to integrate funds from different funding sources. Twenty Member States use ITI (12 use ITI outside Article 7). According to the financial data the total allocated funding to ITI is €13.8 billion, most of which (€11.8 billion) is funded through ERDF, with 12 percent (€1.7 billion) funded through ESF and 0.3 billion from Cohesion Fund. Almost 80 percent of this ITI funding is concentrated in nine Member States and 28 percent in Poland alone (see Figure 3)

**Figure 3 : Cohesion Policy support delivered by ITI**



Source: Matkó, M. (2016) *Cohesion policy framework for integrated, sustainable urban development*, Work Group IUD, 22-24 March Brussels.

The number of thematic objectives (TO) covered by urban measures varies across programmes. In order to ensure an integrated approach, SUD must include a minimum of two TOs. ITI strategies can use TOs from multiple OPs. The TOs most often targeted are:

- TO4 – supporting the shift towards a low-carbon economy in all sectors (37 percent);
- TO6 – preserving and protecting the environment and promoting resource efficiency (18 percent); and
- TO9 – promoting social inclusion, combating poverty and any discrimination (17 percent).<sup>18</sup>

The use of intermediate bodies (IBs) as part of the institutional infrastructure for implementing SUD has been a key discussion point for the European Commission and Member States. The European Commission has insisted that IBs should be used for implementation, a position regarded as surprising by some observers, as there have been long-standing calls for a reduction of intermediate bodies in Member States. Member States have opted for a 'shared management' model, whereby national/regional authorities deal with the financial management, monitoring and coordination, and local authorities have a role in project appraisal and selection to varying degrees. In a number of cases, despite the Commission's insistence on using IBs for the implementation of SUD, Member States do not intend to use IBs at the urban level.<sup>19</sup>

<sup>18</sup> Matkó (2016) *op. cit.*

<sup>19</sup> *Ibid.*



CLLD can be used as part of a urban or territorial strategy. In the 2014-20 period, the Commission has sought to expand and simplify the use of CLLD, including its use in urban areas. More specifically, CLLD encourages local communities to develop integrated bottom-up approaches that can respond to territorial and local challenges. It also helps to build community capacity and stimulate innovation and entrepreneurship, promote community ownership by increasing participation, and facilitate the involvement of local communities in multi-level governance policy-making. However, the extent to which CLLD is used as part of an urban or territorial strategy is as yet unclear. In most cases, Member States do not specify in their programmes whether they want to focus CLLD on urban areas. However, in general there appears to be a relatively low take-up of CLLD across cities.<sup>20</sup> Possible reasons include:

- lack of awareness;
- perception of high administrative risk and slow absorption of funds;
- perceptions of CLLD as being complex;
- reluctance by different levels of government to be involved;
- low levels of capacity at the local level;
- tensions with other ESIF requirements (result-based orientation); and
- the small scale of funding for some programmes.

It is worth noting that during the 2014–20 period the focus on urban development in Cohesion policy parallels an emerging strategic focus on growth in urban areas in the EU. The Urban Agenda is the result of more than two decades of intergovernmental cooperation on urban development, evident, for example in the Leipzig Charter and the 2015 Riga Declaration.<sup>21</sup> The EU's Urban Agenda continued to be a major element of the Dutch EU Presidency in the first half of 2016. The Pact of Amsterdam did not include any new funding streams for urban development and participation is voluntary. The Agenda offers the establishment of a range of European partnerships with the following objectives.<sup>22</sup>

- **Better regulation** – EU legislation is largely implemented in urban areas and has direct and indirect implications for urban authorities. EU legislation sometimes has conflicting impacts, and its implementation at local level can be difficult. Therefore, EU regulation should anticipate these difficulties.
- **Better funding** – Urban authorities are among the key beneficiaries of EU funding. Access to existing funding is however sometimes administratively burdensome. The Urban Agenda for the EU aims to improve accessibility and coordination of existing funding possibilities and to contribute to their simplification.
- **Better knowledge** – Knowledge on how urban areas evolve is fragmented, and successful experience can be better valorised, diffused and exploited. The Urban Agenda for the EU therefore intends to enhance the urban policy knowledge base and the exchange of good practice.

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<sup>20</sup> Czischke and Pascariu (2015) *The Participatory Approach to Sustainable Urban Development in the Cohesion Policy Period 2014-2020: Making CLLD in urban areas work*. URBACT study.

<sup>21</sup> For more information, see: [https://eu2015.lv/images/news/2015\\_06\\_10\\_EUUrbanDeclaration.pdf](https://eu2015.lv/images/news/2015_06_10_EUUrbanDeclaration.pdf)

<sup>22</sup> Urban Agenda for the EU – Pact of Amsterdam, available at: [https://ec.europa.eu/futurium/en/system/files/ged/pact-of-amsterdam\\_en.pdf](https://ec.europa.eu/futurium/en/system/files/ged/pact-of-amsterdam_en.pdf)





### 3. DATA-GATHERING AND METHODOLOGY

The methodological approach to the research involved a combination of qualitative and quantitative research methods involving both secondary source documentary research and primary fieldwork interview research. The overall approach is shown in Figure 4, identifying the interrelationships between:

- tasks – as listed above (dashed rectangular boxes);
- data sources – repository, database, case study fiches, focus group (blue/grey boxes);
- core team inputs – management, methodological and analytical inputs (light blue boxes on the left of the figure);
- national expert inputs (red boxes); and
- key reporting elements (green ellipses).

The blue arrows represent the relationship between different tasks and outputs. For example, the database feeds into the case study fiches, typology, study report and draft final report; the case study fiches feed into the development of the methodology for measuring effectiveness, typology, study report and draft final report; and the focus group contributes to the typology and methodology on effectiveness.

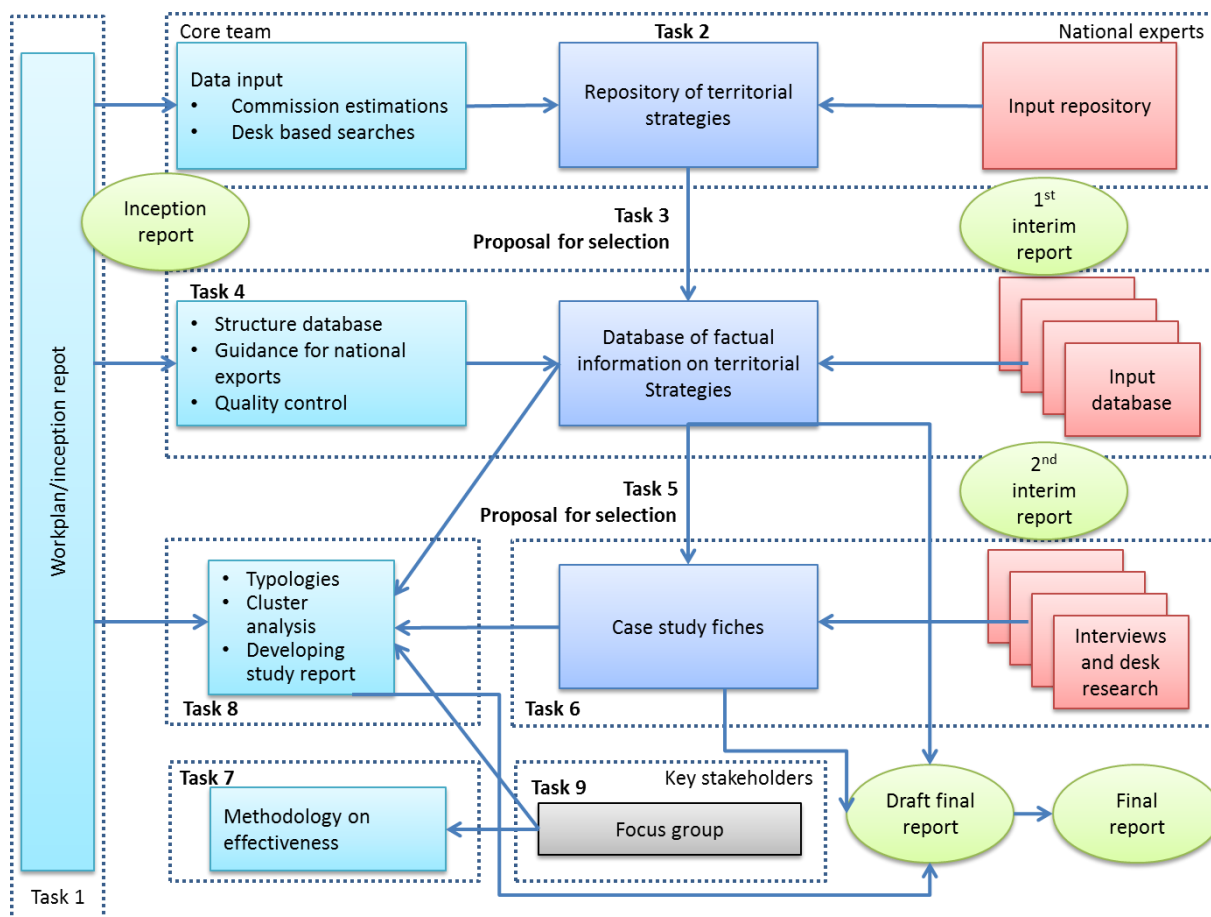
The core team was responsible for coordinating the research process, including collecting urban and territorial strategies, developing the overall structures of the database and guidelines, and for carrying out the in-depth case studies. The core team also carried out the analysis for developing the typologies and was responsible for a separate report on measuring the effectiveness of territorial provisions in 2014-20 programmes. Furthermore, the core team conducted the focus group and presented the results at various stages.

A wider team of national experts was used to collect information in their respective countries and conduct the necessary desk-based research for the strategy-mapping exercise and construction of the identification database (see below), as well as conducting interviews and developing fiches for urban and territorial strategies. Annex 1 provides an overview of the national experts responsible for each task.

A Steering Group consisting of members of DG Regional and Urban Policy, DG Employment, Social Affairs and Inclusion and the European Commission Joint Research Centre provided overall direction. The following reports were presented to the Steering Group:

- Inception report (March 2016);
- 1st interim report (September 2016); and
- 2nd interim report (January 2017).

Throughout the study period, there was continuous contact with members of the Steering Group.

**Figure 4: Overview of methodological approach to the study**

### 3.1 Strategy collection

This section sets out the methodology for collecting strategies. Drawing on existing sources, a review of OPs and inputs from national experts, a Territorial Strategies Identification Database (TSID) was constructed, providing an estimate of SUD strategies and non-SUD ITI strategies per Member State, as well as some of their key characteristics (Member State, region, category of region, name city/region, name of strategy, contact person/URL, etc). The TSID consists of two parts: (i) SUD strategies in relation to Article 7 (implemented by OP, PrAxis or ITI); and (ii) a non-SUD ITI consisting of ITI provisions compliant with Article 36 of the CPR that do not contribute to the Article 7 requirement.

The TSID includes some high-level characteristics of strategies. These include: category region, implementation mechanism, and strategy selection procedure. Unlike the mapping database (see Section 3.2), this database provides a near-complete overview of these elements.

In parallel with constructing a TSID, the core team collected strategy documents whenever possible; national experts contributed in those cases where there were gaps or language challenges.<sup>23</sup> The strategy documents were stored in a secure document repository, and each strategy was given a unique identifier corresponding to information in the TSID.

It should be noted that in some countries the data-gathering was more challenging than anticipated. This was partly due to the limited information available about the approval

<sup>23</sup> It should be noted that not all strategies, even when approved, are made publicly available.

process at the central level, which meant that information had to be gathered at the regional level and in some cases even at the local level.

Over the 2016-17 period, significant progress was made in terms of approving strategies in Member States.<sup>24</sup> At the time of writing (August 2017), the status of approval was as follows:

- **Approval of all urban and territorial strategies:** 19 Member States (AT, BE, BG, CY, CZ, EE, ES, FI, HU, IE, LT, LU, LV, NL, PL, PT, SE, SI and SK);
- **Partial approval:** seven Member States (DE, DK, EL, FR, HR, IT, UK) had partially approved strategies or had incomplete information on the status of (some) strategies. Partial approval was the consequence of a competitive procedure (DK) and/or because of regional variation in approval (DE, EL, FR, IT). Although some strategies were expected to be approved, no confirmation was available to the research team (DE and FR).
- **Unapproved strategies:** in two Member States (MT, RO), strategies had not yet been approved and therefore were not available for the study.

Table 1 provides an overview of SUD strategies identified in each Member State, those approved, and those collected in the strategy repository as part of the project. The total number of strategies identified is 880. The number of strategies in Member States varies considerably, depending on the size of ESIF allocation, geographical scope, the nature of urbanisation, and political choices. There remains some uncertainty about the final number of strategies in Denmark Germany, Greece, France and Italy because of:

- competitive selection processes used by countries;
- absent or conflicting information; and
- delays in the implementation process.

The total number of approved strategies is reported as 692. However, in some Member States, for example France, Germany and potentially Italy, it is understood that more strategies were approved but without formal confirmation. During the research, 651 strategies were collected of which 646 were approved. In Romania and Croatia, some or all strategies were not yet approved, but advanced drafts were made available to the research team for some cities. In order to ensure that these countries were also represented in the strategy-mapping exercise (see Section 3.2), the draft documents were collected and included. In Malta, the SUD strategy was not approved and no draft was available.<sup>25</sup>

Non-SUD ITI strategies are implemented in 12 Member States (BE, DE, EL, ES, FR, IT, LT, PL, PT, RO, SK and UK). In total, 154 non-SUD ITI strategies were identified, of which 128 were approved and 90 collected. The number of strategies per Member State varies and ranges from one strategy (RO, UK) to potentially 40 (IT). Table 2 provides an overview of non-SUD ITI strategies including the number that has been mapped in each country.

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<sup>24</sup> Further details of the cases in which strategy selection was not finalised are outlined in Annex 6.

<sup>25</sup> A questionnaire for the mapping exercise was completed insofar as possible on the basis of the information available in the OP.

**Table 1: Overview of SUD strategies (15/08/2017)**

Member State	Number of SUD strategies identified	Number of SUD strategies approved	Number of SUD strategies collected	Number of SUD strategies Mapped
AT	14	14	1	1
BE	9	9	9	7
BG	39	39	39	25
CY	4	4	4	2
CZ	7	7	7	7
DE	78*	72	74	39
DK	7*	7	7	2
EE	5	5	5	5
EL	39*	20	12	13
ES	123	123	119	42
FI	1	1	1	1
FR	202	152	116	42
HR	7	2	7**	7
HU	22	22	21	18
IE	16	16	16	8
IT	89*	25	24	24
LT	5	5	5	5
LU	1	1	1	1
LV	9	9	8	6
MT	1	0	0	1
NL	4	4	4	4
PL	24	24	24	20
PT	104	103	103	35
RO	39	0	12**	12
SE	3	3	3	3
SI	11	11	10	7
SK	8	8	8	8
UK	9	6	6	3
Total	880	692	646	348
* Numbers may change				
** Status of documents unclear or drafts				

**Table 2: Overview non-SUD ITI strategies (15/08/2017)**

Member State	Number of non-SUD strategies	Number of non-SUD strategies approved	Number of non-SUD strategies collected	Number of non-SUD strategies mapped
BE	3	3	3	3
DE	8	8	8	7
EL	16*	4	4	4
ES	4	4	4	4
FR	33	33	22	13
IT	41	27**	3	4
LT	10	10	10	1
PL	6	6	6	7
PT	22	22	19	6
RO	1	1	1	17
SK	8	8	8	1
UK	1	1	1	8
IT – SI	1	1	1	1
Total	154	128	90	76
* numbers may change				
**12 more could be selected.				

### 3.2 Strategy-mapping

The identification and collection process was followed by a data-mapping process. In total, 424 strategies were mapped, comprising 348 SUD and 76 non-SUD strategies. Annex 2 provides a list of all strategies that have been mapped.

In order to ensure a wide, representative sample, the following methodology was adopted for the mapping exercise. Member States were divided into three categories corresponding to large, medium or small SUD allocations (amount of funding in real terms). In Member States with a small SUD allocation, half of the strategies were selected for mapping; in Member States with a medium allocation, two-thirds were selected for mapping; and in Member States with a large allocation, 80 percent of strategies were selected for mapping. The upper threshold of the total SUD strategies mapped in a Member State is 40. The same formula was used for non-SUD ITI strategies.

The total number of strategies selected for mapping was 460. In some cases, adjustments to the final number were made due to the non-approval or non-availability of strategies. Eventually, a total of 424 strategies were mapped. The selection process ensured a wide representative sample of implementation in terms of:

- geography: coverage of all Member States and all categories of eligible region (LDR, TR, MDR);
- area type: a representative number (and types) of urban and non-urban areas;
- population: a representative number of cities/urban areas of different size;
- implementation mode: a representative number of cases implemented by separate OP, multi-thematic priority axis or ITI, and one of each mechanism present in the same Member State;
- CLLD: a representative number of strategies including CLLD as a delivery mechanism;
- use of financial instruments: a representative number of strategies using financial instruments;
- multi-fund approach: a representative number of strategies using more than one ESI fund;
- thematic objectives/investment priorities: strategies with different thematic foci; and
- size: strategies with different budget allocations both in real terms and proportionally.

In terms of the representativeness of these strategies, Annex 3 provides details on the percentage of the population covered by strategies mapped in each Member State as well as the total share of ESIF funding linked to all strategies.

National experts were tasked with mapping factual data on urban and territorial strategies in each Member State, using a pre-structured database in which each selected strategy had a dedicated questionnaire. The questionnaires were divided into six sections:

- classification of strategy;
- development of strategy;
- content of strategy (challenges, objectives, results logic);
- responsibilities and governance;
- financial allocations; and
- monitoring and evaluation.

The national experts analysed country-relevant urban and territorial strategies and associated documents, following pre-defined templates that allowed enough flexibility to pick up country-specific information. The use of national experts for this task means that the analysis is sensitive to context and the language nuance of the documents. Guidelines for this task were provided in English.

Every effort has been made to collect a set of data that is comprehensive and consistent. National experts received detailed guidance in terms of the mapping process and where necessary received one to one instructions to ensure consistency. All responses were wherever possible sense checked against centrally held data. Open responses to questions were further analysed by the core team and where necessary recategorised to ensure responses are categorised as much as possible. In key areas (for example thematic objectives linked to the strategy and financial allocations) national experts were required to check data against OP held data. In cases where there remained some uncertainty or where there was a lack of data additional checks were carried out by the core team. However, given the variability of data and sources the results of this exercise are subject to the following caveats.

- The available information differs across countries and strategies, and in some cases the strategy documents contain limited information in relation to certain themes (for example, information on governance structures is often missing). For this reason the number (n) for each graph is reported separately so that gaps can be identified.
- At time of writing, not all strategies in all Member States were approved, which means that some are under-represented.
- For those countries in which no strategies were approved, efforts were made to collect draft strategies or to base the mapping on information from other sources (i.e. OP and PrAxis), which also affected the availability of information.
- Some questions involved a qualitative assessment by national experts. In order to ensure consistency, guidance was provided and some follow-up (re)assessment was undertaken to verify the robustness of the data. However, any qualitative assessment is subject to internal variation in reliability. Consequently, comparison of strategies within Member States is more likely to be robust than comparisons between Member States; even in the former case, though, the conclusions drawn should recognise the inherent subjectivity of the assessment exercise.

### **3.3 Strategy fiches**

Based on the preliminary results from the mapping exercise, a proposal for 50 case studies was made to the Steering Group. The selection process consisted of two stages, involving a long list and a short list. The construction of the long list of around 100 strategies took the following criteria into account:

- type of implementation mechanism (OP, PrAxis or ITI);
- inclusion of all Member States, taking into account core-periphery differences and geographical spread (e.g. North-South and East-West);
- differences in funding allocations;
- geographies (e.g. size of the territory, rural vs. urban, etc.); and
- thematic focus.

The selection of case study strategies took place in close collaboration with the Steering Group and European Commission staff and took account of the specificities of each Member State to enable the most appropriate and interesting cases to be collected. The short list of a minimum of 50 cases remained sensitive to the above criteria but also considered practicalities such as availability of information and accessibility of interviewees. Lastly, as with the selection process for mapping strategies, in a number of

cases, case study selection was dictated by the availability of strategy documents and the willingness of managing and urban authorities to participate in the project.

The final 50 strategy case studies were selected from 26 Member States, excluding LU and MT.<sup>26</sup> For each of the 50 strategies, strategy fiches were created. Annex 4 provides an overview of the selected case study fiches and key criteria on which the selection was based.

The strategy fiches follow a common structure consisting of:

- a short section with some key characteristics (characteristics of the urban area/region, targeted areas, challenges and objectives, rationale of the strategy, implementation mechanism and funding information);
- an analysis of the strategy design (design process, consultation, links to pre-existing strategies, measurement and added value, challenges) and management implementation, monitoring and evaluation practices (institutional architecture and responsibilities, special implementation arrangements, implementation progress, evaluation); and
- good practice and lessons learned.

National experts were responsible for carrying out the research for the strategy fiches. The main method was semi-structured expert interviews, which were used to gather qualitative information and the opinions of those authorities involved in the design and implementation of the strategy. In order to apply a standardised approach and develop comparable results, national experts were given guidance and questions. However, to ensure that local specificities and distinct cases were reflected, experts were encouraged to probe particular issues if they were relevant to the study.

For each case, national experts were asked to conduct 2-4 interviews to build on and enrich the documentary analysis. National experts were asked at a minimum to interview one representative from the urban/regional authority and one representative from the managing authority, but they were also encouraged to approach other actors where relevant. Interviews were conducted mainly by phone or Skype. The interview questions were piloted in order to ensure their relevance and appropriateness.

The strategy fiches were analysed using NVivo software using a coding framework to categorise qualitative data.<sup>27</sup> The analysis is not an attempt to quantify qualitative responses but instead provides a basis to establish patterns and relationships in the data; as such, it helps to identify the factors that explain the observed differences and similarities between the in-depth case studies.

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<sup>26</sup> The Ostalbkreis (DE) strategy is no longer considered a non-SUD ITI. However, it represents an approach that is similar to ITI approaches. There are other countries where strategies are not formally recognised as ITI but do resemble the approach (e.g. in Poland, there are so-called para-ITI strategies).

<sup>27</sup> NVivo is a software package allowing the organisation and analysis of unstructured and qualitative data to derive patterns, trends and other findings.





## 4. ANALYSIS OF STRATEGIES

The central task for this study is to understand where and how urban and territorial strategies are being implemented. This section reports the main findings from the analysis of the mapping database and strategy fiches. The first part examines the implementation mechanisms that are used to implement integrated place-based approaches. This is followed by an analysis of the four dimensions as outlined in Section 2 (geographic, thematic, knowledge and governance). The subsequent two parts of this section deal with measurement<sup>28</sup> and financial information.<sup>29</sup> The quantitative information from the database is further illustrated by information from the strategy fiches.

### 4.1 Implementation mechanisms

The following sub-sections focus on the implementation mechanisms that are used to implement strategies. They provide an analysis of SUD strategies implemented by ITI, multi-thematic priority axis (PrAxis) and Operational Programme (OP), as well the usage of non-SUD ITI strategies. The subsequent discussion reviews the use of CLLD in the context of these strategies.

#### 4.1.1 ITI, priority axis, OP

The TSID database provides a near-complete overview of the implementation mechanisms that are used for all 880 SUD strategies. A small proportion of strategies use an OP (one percent).<sup>30</sup> A multi-thematic priority axis is used by the majority of strategies (71 percent), and the remaining 28 percent use ITI as an implementation mechanism.

The SUD strategies that were mapped (347) are nearly representative of the total population of strategies, with 66 percent using a multi-thematic priority axis, 32 percent an ITI, and two percent a separate Operational Programme. The slight underrepresentation of PrAxis is due to the fact that this is the preferred implementation mechanism for Member States with a large number of strategies (DE, ES, FR, PT).

The case study findings suggest that the decision on whether to use ITI, a multi-thematic priority axis or a dedicated Operational Programme is usually taken at an early stage (i.e. Partnership Agreement negotiation or OP negotiation). In some cases, such as in Poland and the Czech Republic, the decision to use ITI was taken by the central government. In other cases, there was strong pressure from the urban level to use ITI. In Member States in which regionalised OPs are implemented, approaches often vary. However, the option to use ITI as an implementation tool for sustainable urban development strategies could also be taken later. It is also worth noting that in some cases the strategies are technically classified as ITI for the purpose of ESI funding, but the use of the mechanism is not considered crucial for the delivery of the strategy (e.g. as in London).

The rationale for using integrated territorial investment as a tool is mainly to achieve the integration of funds from different thematic priorities or funds and/or the integration of territory. However, it was also noted that ITI offers a more flexible method in terms of implementation. For example, in Liepaja (LV) it was noted that the ITI approach allowed changes to financial allocations and partnerships without having to change the OP, which is considered time-consuming. In other cases, such as the CFC pole, urban authorities opted for a multi-thematic priority axis as ITI was considered too complex and risked delaying implementation, particularly as a consequence of a lack of information.

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<sup>28</sup> Also see: Ferry, McMaster and van der Zwet (2017) *op. cit.*

<sup>29</sup> Many of the figures in the report make a distinction between SUD strategies and non-SUD ITI strategies, in which case the data related to the former are coloured blue and the latter red.

<sup>30</sup> A number of strategies that have a dedicated OP are implemented by ITI (e.g. Prague and some of the Italian NOP strategies). In the study, they have been classified as ITI strategies.

The use of an Operational Programme that specifically targets sustainable urban development tends to occur in very specific cases where there is a history of urban areas covered by a single Operational Programme (Brussels, Prague and Stockholm). Only in the case of Italy was a separate national Operational Programme created to cover sustainable urban development in the 14 metropolitan cities. However, in some of these cases the implementation mechanism can also be recorded as ITI or PrAxis depending on the contribution of regional OPs and whether they are implemented through an ITI to which the national OP contributes.

Non-SUD ITI is used as an implementation mechanism for ESI Funds in 12 countries. The non-SUD ITI strategies that were mapped (76) constitute about half of all non-SUD ITI strategies identified. The decision on whether to use non-SUD ITI strategies is also often taken at an early stage (i.e. OP or PrAxis negotiation). It can reflect a uniform approach across a country or region (e.g. LT, IT, PT, SK, Schleswig-Holstein, Bretagne) in which the whole country or region is covered by multiple non-SUD ITI strategies. Non-SUD ITI is also more targeted (BE, PL, ES, EL, UK), and in these cases the demand for an ITI approach often originates from the local or regional levels.

#### 4.1.2 Community-Led Local Development

**In a small number of analysed SUD strategies (five percent), Community-Led Local Development (CLLD) is used as part of the strategy** (BG, FR, LT, NL, SI, SE). This supports the findings from other studies<sup>31</sup> that the uptake of CLLD in relation to integrated place-based strategies has been very limited. Information from the strategy fiches also confirms that the use of CLLD in relation to SUD strategies occurs in only a limited number of countries. There is a small number of examples where CLLD has been included as part of the SUD strategies.

- CLLD will be used as part of The Hague (NL) ITI strategy. It involves innovative features of citizen participation (beyond the local action group) in the implementation of Structural Funds.
- Kaunas (LT) aims to implement CLLD, but the CLLD strategy does not have a dedicated budget.

There are also cases where CLLD is not part of the strategy but will be implemented in the territory of the strategy.

- In Nitra (SK), CLLD is a complementary instrument to strategies in both rural and urban areas.
- In Pecs, Debrecen and Tatabánya (HU), CLLD projects are developed through a separate call but are part of the same priority axis that supports SUD strategies. The urban authorities that are responsible for the SUD strategy are also involved in the implementation of CLLD. However, CLLD does not form part of the SUD strategy.
- Liepāja (LV) is part of the Liepāja Region Partnership which receives EMFF support for CLLD strategies. Representatives of Liepāja Municipality participated in the preparation of the CLLD. However, the CLLD activities are implemented separately from the ITI strategy.

In several Member States, **CLLD in urban areas is planned, but the extent of its usage and level of integration into the strategies is not yet clear.**

- The use of CLLD is also foreseen for SUD in Greece beyond rural and fisheries areas in urban areas with special characteristics and challenges, and in areas

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<sup>31</sup> Czischke and Pascariu (2015) *op. cit.*

where the connection between urban centres and the surrounding rural space is very important or problematic.

- In Italy, CLLD can be used in the urban context, but the extent to which the tool will be implemented is not yet clear.
- In Portugal, interventions of a physical nature are articulated with corresponding interventions of a social character, which can be supported under CLLD.
- In Hungary, CLLD is used in the urban context but in terms of implementation is separated from SUD.
- In Romania, CLLD can be used in disadvantaged urban areas with under 20,000 inhabitants, but also in neighbourhoods in Bucharest that are not eligible for SUD funding.
- In Slovenia, in some cases where the area covered by the sustainable urban strategy is greater than the area covered by the ITI strategy, the municipalities plan to use the CLLD mechanism to implement the strategy in the cities' surrounding areas.

CLLD is reported to be used in over a quarter of non-SUD ITI strategies (FR, LT, RO, UK). However, **the extent to which CLLD is integrated in non-SUD ITI strategies is not clear**. The strategy fiches contain the following examples of CLLD being used as part of a non-SUD ITI.

- In the Cornwall and the Isles of Scilly ITI strategy (UK), CLLD is regarded as an integral part of the delivery framework of ITI, particularly focused on developing rural projects.
- CLLD will be part of the implementation of the Danube ITI strategy by supporting some of the already pre-existing Local Action Groups (LAGs).
- In France, CLLD is used in combination with the ITI strategies in Bretagne.

The strategy fiches also indicate that CLLD can be used in a rural context outside an integrated place-based strategy area but linked to the strategy by supporting rural-urban linkages.

- In Chomutov (CZ), CLLD strategies were developed independently from the ITI strategy, particularly targeting the rural areas of the agglomeration.
- In Brno (CZ), CLLD strategies operate in the ITI area, but they are in a parallel structure and employ different implementation mechanisms.
- Greater Aurillac (FR) will seek complementarity between CLLD (LEADER) projects and SUD – both cover separate areas but have common goals in terms of urban-rural linkages.

Lastly, it is worth mentioning that a number of countries have chosen not to use CLLD in the urban context because similar approaches are already available. In Finland, the OP supports civic-led development in the urban areas across the Six Cities Strategy. In Berlin, CLLD was considered in the light of the intense engagement of local actors in integrated place-based strategies, but it was noted that community-led development is already deeply embedded in the domestic approach (ZIS II). In Brussels, the OP explicitly supports the development of a participatory framework in order to develop a more inclusive approach to project development but does not make use of CLLD.

The strategy fiches highlight some key challenges in terms of integrating CLLD in SUD and non-SUD ITI strategies:

- perceived extra administrative burden (Berlin, Limburg, Nordhausen) and increased complexity (Aurillac, Brussels, CFC pole); and
- a negative impact on effectiveness and increased fragmentation (Limburg).

In the few cases where CLLD is part of the strategy, there are early indications that such an approach can lead to new ways of working and innovation. Box 2 provides an example from The Hague.

### Box 2: CLLD in The Hague

CLLD has been introduced for Scheveningen, an area within The Hague that has a strong identity and active community. It has also been identified as an area that is strategically important for economic growth and job creation. The Local Action Group (LAG) consists of representatives from SMEs, the cultural and sports sector, and residents' groups. The city acted as a facilitator in the development process. A foundation (*Stichting initiatief voor Scheveningen*, SIOS) was established in 2015. It is responsible for the management and implementation of the strategy.

The added value of the CLLD approach is the involvement and support for local development projects. The LAG has introduced alternative methods of project selection, involving citizens through online or newspaper-based project selection systems. CLLD has the potential to develop a democratic process that engages citizens in project decision-making, and could potentially bring politics closer to citizens. It also affords citizens an insight into the divergent views in communities (which policy-makers and politicians must navigate), and so fosters greater acceptance of project decisions. Furthermore, the possibility exists that CLLD and city council officials might hold different views in terms of development priorities.

The use of CLLD is new and inevitably faces a number of challenges. First, funding is relatively small in scale, so its actual impact is limited. Second, the capacity of the LAG is limited, as the approach relies heavily on committed volunteers for whom implementation can be complex. Third, the role of public servants and the MA and monitoring committee in the delivery of the strategy is different in that their level of influence and involvement has been reduced. Last, the options available to introduce public voting are either costly (i.e. by an electronic system) or not sufficiently robust (i.e. by providing voting codes in local newspapers).

[more information can be found in The Hague strategy fiche]

To conclude, the uptake of CLLD as part of integrated place-based strategies has so far been very limited. However, the limited number of cases available does demonstrate the potential added value and innovative nature of this approach. Furthermore, the strategy fiches do suggest that CLLD strategies have been taken into account as part of the strategy design in several countries, and linkages between the two are being sought. CLLD relies heavily on local capacity and bottom-up engagement; as such, a more top-down requirement to implement CLLD would not be appropriate. In addition, CLLD may not be necessary in all cases, as provisions for local community engagement in territorial planning and strategy development may already be in place through domestic arrangements.

## 4.2 Geographical dimension

The geographical dimension of integrated place-based strategies comprises of:

- the type of regions in which strategies are implemented (MDR, TR or LDR);
- the type of urban centres that are targeted;
- the geographical scope of the strategies; and
- the extent to which rural-urban connections are included in the strategies.

The TSID contains information regarding the status of territories in the selection process. Eligible areas are either designated at an early stage of the programme period (usually in the PA but also the OP negotiations). This form of selection is used for 33 percent of SUD

strategies. In these cases, no further selection process takes place. However, in most cases (58 percent), eligible territories are identified at the programming stage. These territories must respond to calls once the programme implementation has started. Often, all eligible territories will receive funding, and the call for strategies is a way to manage the strategy design process. In a smaller number of cases (nine percent) territories are selected using a competitive process in which urban centres respond to calls from which strategies are selected. For non-SUD ITI strategies, 32 percent of strategies were classified as eligible, 67 percent designated and one percent competitive.

The TSID also includes details regarding the category of region in which strategies are implemented. In 39 percent of cases, SUD strategies are implemented in MDR, 26 percent in TR and 35 percent in LDR. For non-SUD ITI, 51 percent of strategies are in MDR, 10 percent in TR and 39 percent in LDR.

The mapping database includes SUD strategies from regions in the MDR, TR and LDR categories. Proportionally, they represent 34 percent, 21 percent and 45 percent of the total sample; the non-SUD ITI strategies represent 34 percent, seven percent and 58 percent of the sample total. The over-representation of LDR is due to the higher ESIF allocations in Member States with LDR regions which were used for weighting in the selection process (see Section 3.2). The Prague strategy is an exception, as it covers two categories of region – the core (the City of Prague, MDR) and the delineated surrounding area (part of the Central Bohemia Region, LDR). For non-SUD ITI strategies, the Azul strategy is also unique in terms of covering both MDR and TR categories.

SUD strategies vary across Member States in terms of population coverage. Figure 5 provides an overview of the SUD strategies according to seven categories of population coverage. The categories are based on OECD-EC definitions of urban centres;<sup>32</sup> targeted areas between 50,000 and 25,000, as well as those smaller than 25,000, have been added. In relation to the size of population in the targeted areas, there are some important caveats.

- The size of population may relate to a neighbourhood that is targeted rather than the size of the whole city. In some Member States, SUD strategies are implemented within metropolitan areas, but at multiple lower levels (rather than city-wide); hence the data show them as smaller urban areas. The case studies include examples of neighbourhood strategies in Nicosia and Eje del Besòs in Barcelona.
- In some cases, the strategy may cover the whole area of a city, but implementation actually targets a small number of areas. This is the case for example in The Hague, Debrecen, Kaunas, Malaga, Liepaja, Pecs, Tatabanya and Vienna.
- There are also cases where the territorial scope of the strategy is multifaceted in the sense that some parts of the strategy objectives apply to certain districts whereas other parts apply to different districts or the strategy area as whole, and this has an impact on the total population that is targeted. Examples of a multifaceted approach in the strategy fiches can be found in Berlin, Brussels, Pazardzhik, Porto, Cascais and the CFC pole.
- In the case of Finland, the population is the sum of the six cities that are part of a single strategy. The same applies to certain strategies that cover FUAs and that may include multiple cities (e.g. Chomutov), and those that are part of an umbrella structure of municipalities.

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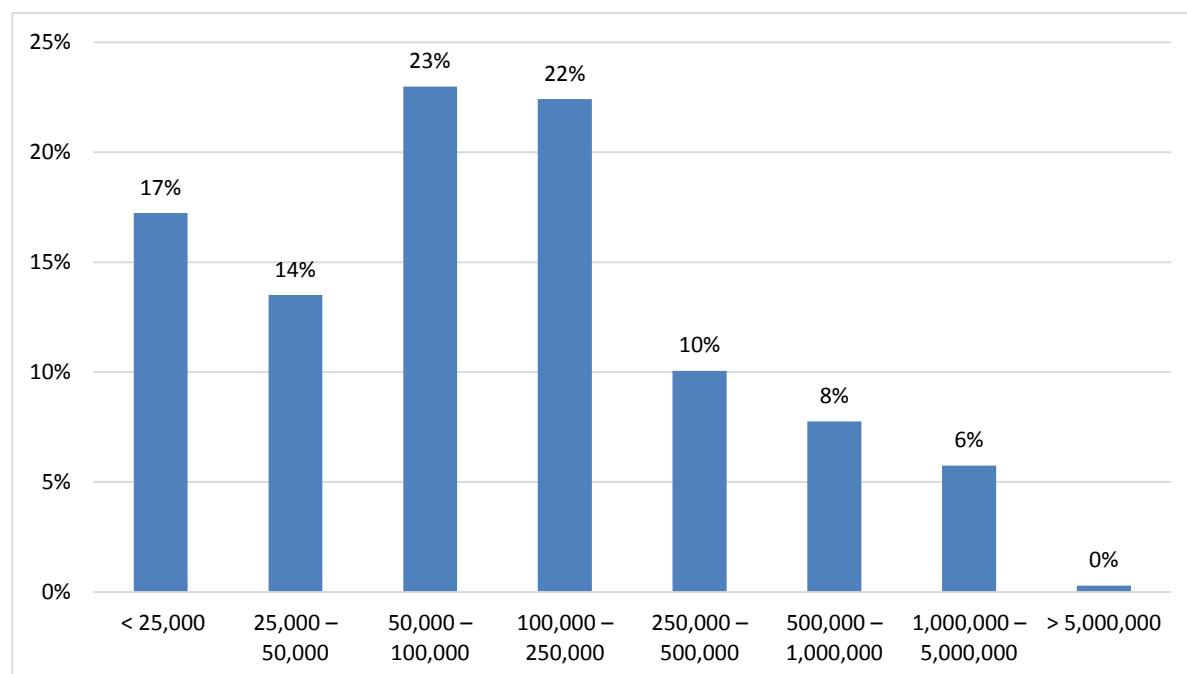
<sup>32</sup> EC (2012) Cities in Europe, the new OECD-EC definition, *Regional Focus*, 01/2012, available at: [http://ec.europa.eu/regional\\_policy/sources/docgener/focus/2012\\_01\\_city.pdf](http://ec.europa.eu/regional_policy/sources/docgener/focus/2012_01_city.pdf)

Further statistics in terms of the number of strategies, median population of strategies, average population of strategies, lowest and highest population of strategies and standard deviation are provided in Annex 5.

Figure 5 demonstrates that strategies most commonly cover populations of between 50,000 and 100,000 as well as between 100,000 and 250,000. A significant proportion of strategies relates to smaller populations of under 50,000 (32 percent). Strategies covering larger population (i.e. those over 500,000) account for 15 percent of strategies.

At the Member State level, there is considerable variation in terms of the size of strategy populations that are targeted (see Annex 5). Some countries mainly target larger populations (e.g. CZ, NL, SE) or also include medium-sized populations (e.g. BE, IT, PL). Examples of countries where relatively small populations are targeted include Germany, Greece, France and Portugal. There are only a few cases where the largest urban centres in a Member State are not included as part of the Member State's SUD obligations (PT, HU).

**Figure 5: Proportion of strategies according to size of population in areas covered by SUD strategies (n=348)**



The data in Figure 6 are a variation on Figure 5 and relate to the size of population in the urban areas where the strategies are implemented; i.e. in those cases where the strategy population related to a neighbourhood in a certain city, the population coverage has been replaced by the total population of that city. This demonstrates that a substantial proportion of cases the smaller population coverage reflects a targeted neighbourhood approach in larger urban centre but 22 percent of SUD strategies target urban centres under 50,000.

**Figure 6 : Size of urban area in which strategy is implemented**

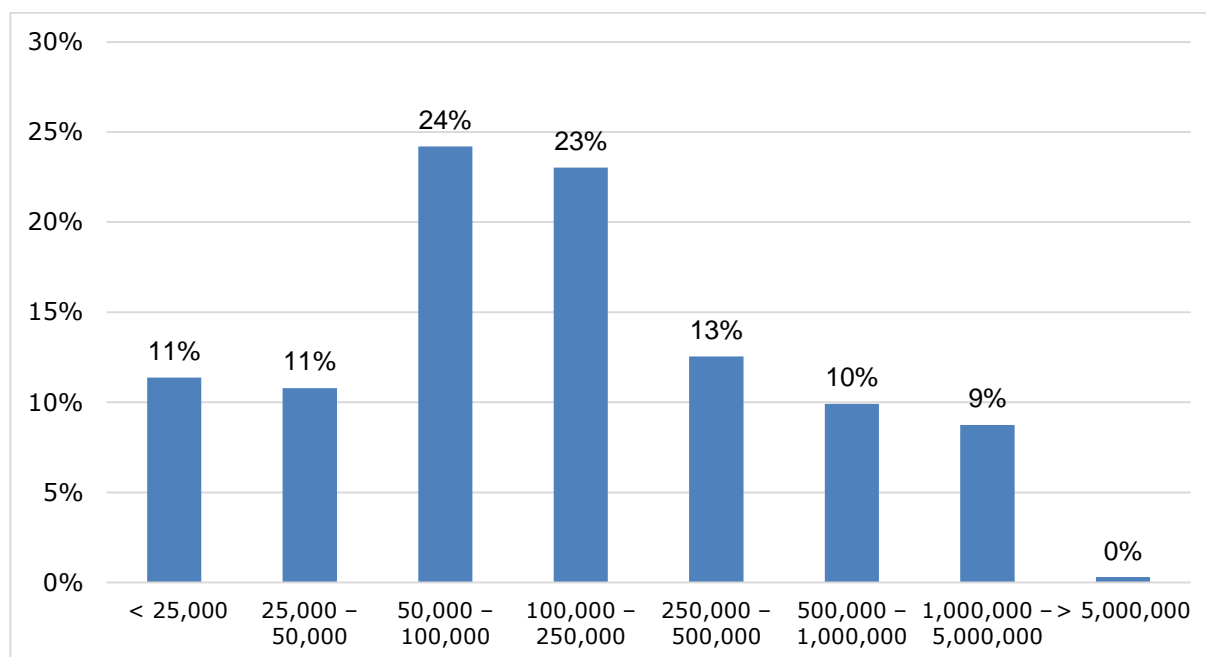
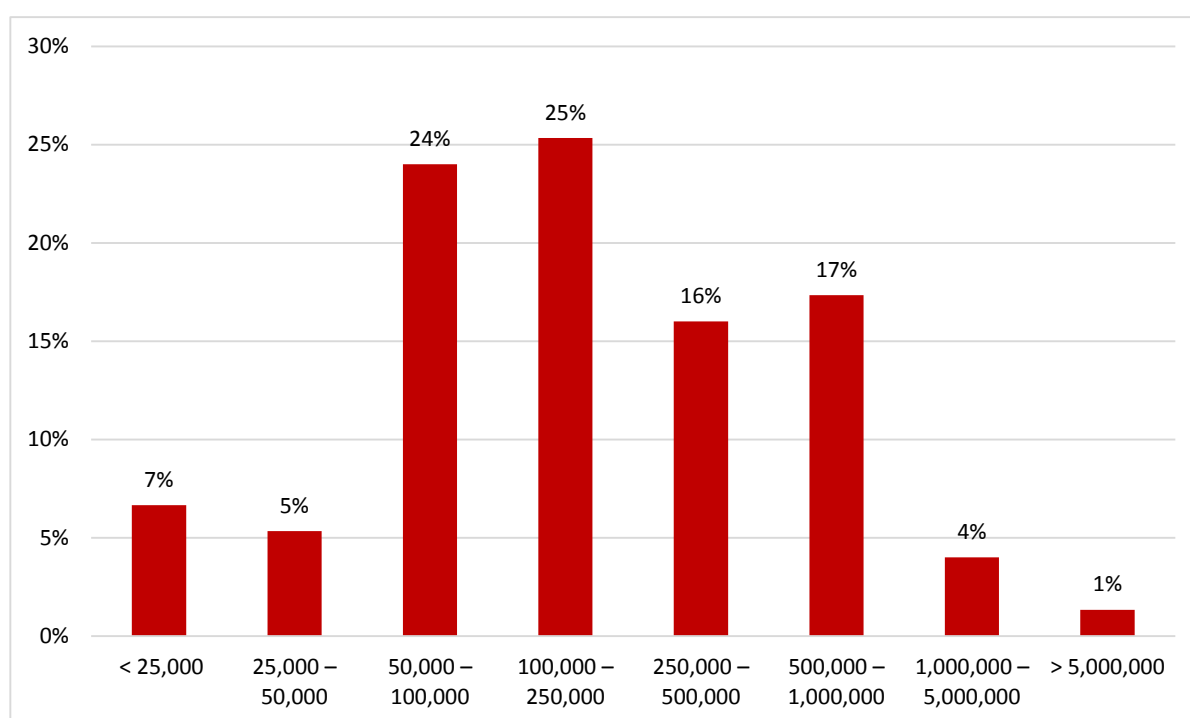
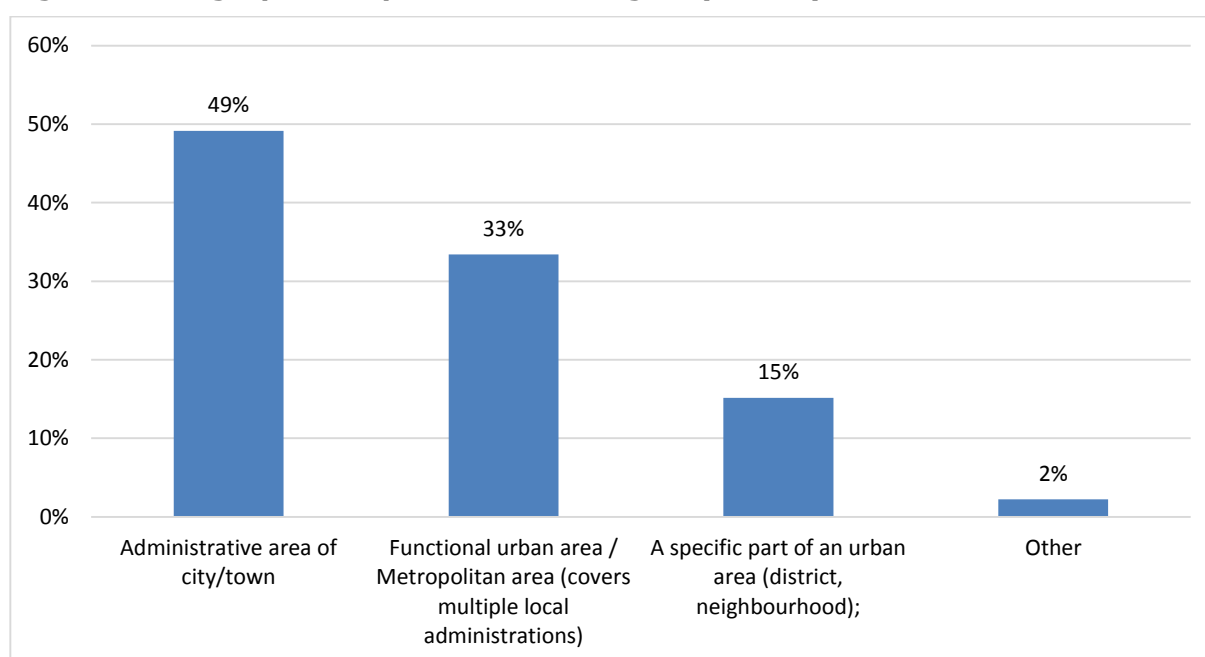


Figure 7 shows the population coverage for non-SUD ITI strategies according to the same eight categories used in the urban context. The size of population also varies for these strategies. Most non-SUD ITI strategies cover populations of between 50,000 and one million. Larger strategies can be found in Spain, in particular the Azul strategy, which covers a population of nine million and as such can be considered an outlier. Non-SUD ITI strategies in Member States such as Italy, Poland, France and Romania target smaller areas. Annex 5 provides more statistical data regarding the demographics of non-SUD ITI strategies and a graph showing the proportion of strategies in each category by Member State.

Figure 8 shows the geographical scope of SUD strategies. It includes the following categories: functional urban areas, administrative cities, neighbourhoods and other. Half of the strategies consist of a territory that is covered by a single administrative unit; a third of the strategies cover a functional urban area that consists of multiple administrations; and a smaller number of strategies cover single or multiple neighbourhoods (15 percent). There are a number of SUD strategies where the scope is different. For example, in Finland the strategy covers six cities, in Belgium some strategies cover a whole province that cannot be considered a functional urban area, and in a small number of cases part of the strategy relates to an FUA whereas another part relates to a specific town or neighbourhood.



**Figure 7: Proportion of strategies according to size of population in areas covered by non-SUD ITI strategies (n=76)****Figure 8: Geographic scope of SUD strategies (n=358)**

As noted above, a significant proportion of strategies may relate to a functional urban area or the administrative area of a city, but the actual operations target a specific district or neighbourhood within the overall strategy's territory. This is the case in 43 percent of SUD strategies that cover the administrative area of a city. For example, in all Bulgarian cases, a whole city is covered by a strategy, but the actions are implemented in intervention zones (zones with public functions, social intervention zones and zones with potential for economic development). Such targeting also takes place in some strategies that cover a functional urban area. For example, in nine strategies in France,



the whole strategy covers a functional urban area that is administratively brought together under an association of municipalities. However, within the strategy area, actions are implemented in districts and neighbourhoods that are priority areas under national urban policy. These findings suggest that although strategies may nominally cover larger areas, in just under a third of cases they explicitly target certain neighbourhoods or zones in practice.<sup>33</sup>

The strategy fiches demonstrate the diverse nature of territories that are targeted. In terms of strategies that cover FUAs, the following categories can be identified.

- **Monocentric functional urban centres that consist of a dominant urban core and its direct hinterland.** Examples include: the FUA for Ploiesti, which is composed of 14 different administrative units – municipalities, including Ploiesti, the county capital, three small cities and ten rural municipalities; the Tartu strategy consists of the city of Tartu and the adjacent four local authorities; the Timisoara strategy is composed of a regional capital and 14 rural municipalities; the Prague ITI consists of the capital and hinterland in the Central Bohemia region; the Lublin ITI covers the regional capital and 16 surrounding municipalities; and the Lille Metropolis is an inter-municipal association of 85 municipalities.
- **Polycentric functional urban areas that consist of an agglomeration of cities and their hinterland.** Examples include: the Ústí nad Labem-Chomutov strategy, which consists of five core cities, two secondary cities, seven larger towns and 14 smaller towns and larger rural municipalities and 47 smaller rural municipalities; the Zagreb ITI encompasses the city of Zagreb, ten cities and 19 municipalities; and the Katowice Central Sub-region brings together 81 local authorities, including districts and municipalities.
- The Slovenia/Italy cross-border strategy between in the town of Gorizia (IT) and Nova Gorica (SI) represents a unique case in which a strategy is implemented in a cross border functional urban area.

There is also some overlap between what can be considered strategies that cover a single administrative city. For example, some strategies cover a large territory governed by a single regional authority that has significant delegated powers (e.g. London and Stockholm). Other strategies such as Vejle, Maribor and Nordhausen cover a single, relatively small administrative unit.

Those strategies that cover a neighbourhood(s) or a specific zone(s) also demonstrate diversity:

- strategies that (partially) cover a historic city centre (e.g. Reggio Emilia and Patras, Malaga, Nicosia);
- strategies or part of strategies that target socially disadvantaged areas often combine this with areas of regeneration of economic growth (e.g. The Hague, Vienna, Berlin, Pazardzhik, Aurillac, Brussels, Kaunas, Liepaja, Patras); and
- areas that are considered environmentally important (e.g. Patras).

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<sup>33</sup> This includes strategies in which the geographical scope is one or more neighbourhoods and those in which operations are implemented in specific neighbourhood(s) or zone(s).

It may also be the case that a strategy as a whole does not target specific geographical areas, but that specific funds (e.g. ESF) are required to be implemented in a pre-defined area within the strategy territory. For example, ERDF may be accessed by stakeholders in the whole strategy area, but ESF can only be accessed by stakeholders in a certain neighbourhood, or vice versa (e.g. Brussels, The Hague). Similarly, there are also examples of strategies that target specific neighbourhoods in relation to some thematic objectives, whilst other thematic objectives relate to the whole territory of a city covered by the strategy (e.g. Alcalá de Henares in Spain and ITI Strasbourg in France).

It is worth noting that some strategies have a very limited funding allocation (see also Section 4.7) and therefore are only able to fund a limited number of projects that are spatially targeted. Examples of this approach drawn from the strategy fiches include Cork, Vejle and Reggio Emilia.

The majority of 'other' options in Figure 8 include networks between cities that do not constitute a functional urban area. For example, the Six Cities strategy in Finland represents a unique case where a network of all bigger cities is part of the strategies has a joint strategy, which is based on looser forms of cooperation. There is also one case where a SUD strategy focuses on an area outside of an urban centre (i.e. the national park region around the town of Schwedt/Oder in Germany).

Figure 9 shows the territorial scope of strategies in terms of NUTS classifications. For SUD strategies, the vast majority of cases consist of a single NUTS 3 region (24 percent) or a part of a NUTS 3 region (69 percent). However, in a small number of strategies the territory covers more than one NUTS 3 region (five percent); the strategy fiches provide examples of these multiple NUTS-3-region strategies from Prague and Lublin. There are few SUD strategies that cover a whole NUTS 2 region (e.g. London and Réseaulux in Belgium) or multiple NUTS 2 regions (Six Cities in Finland). For non-SUD ITI strategies, the most common coverage is also a NUTS 3 region or part of a NUTS 3 region. However, these strategies more often cover a whole NUTS 3 region, a NUTS 2 region or multiple NUTS 3 regions.

**Figure 9: Geographical scope of SUD and non-SUD ITI strategies according to NUTS classification**

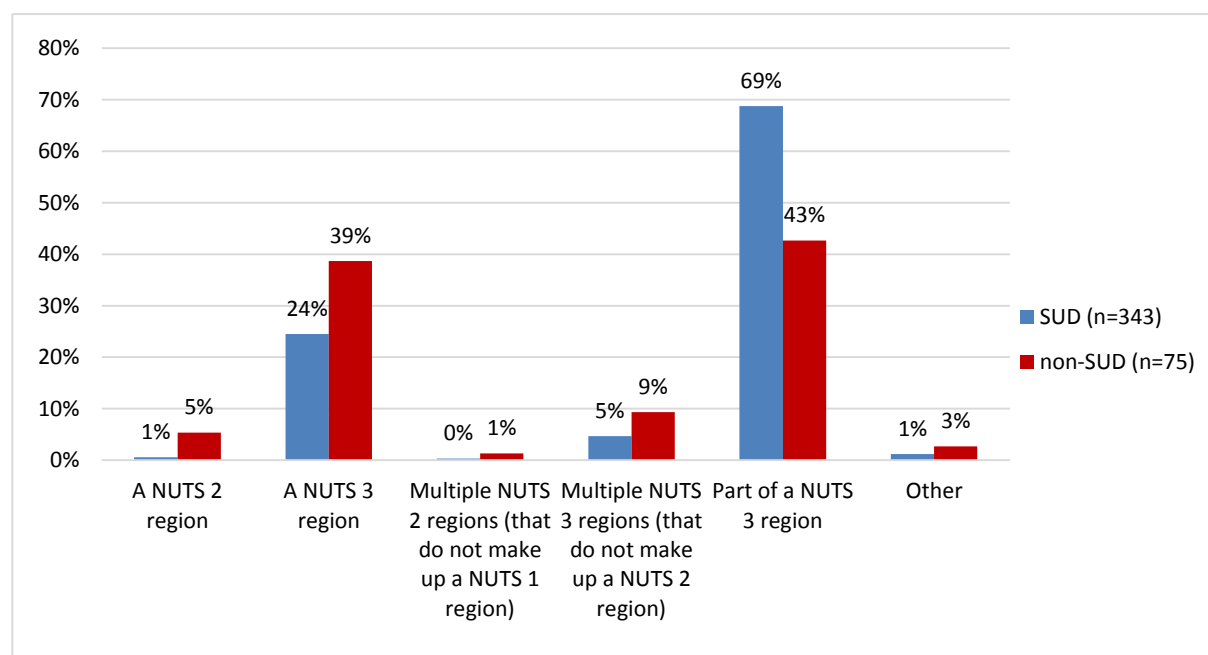
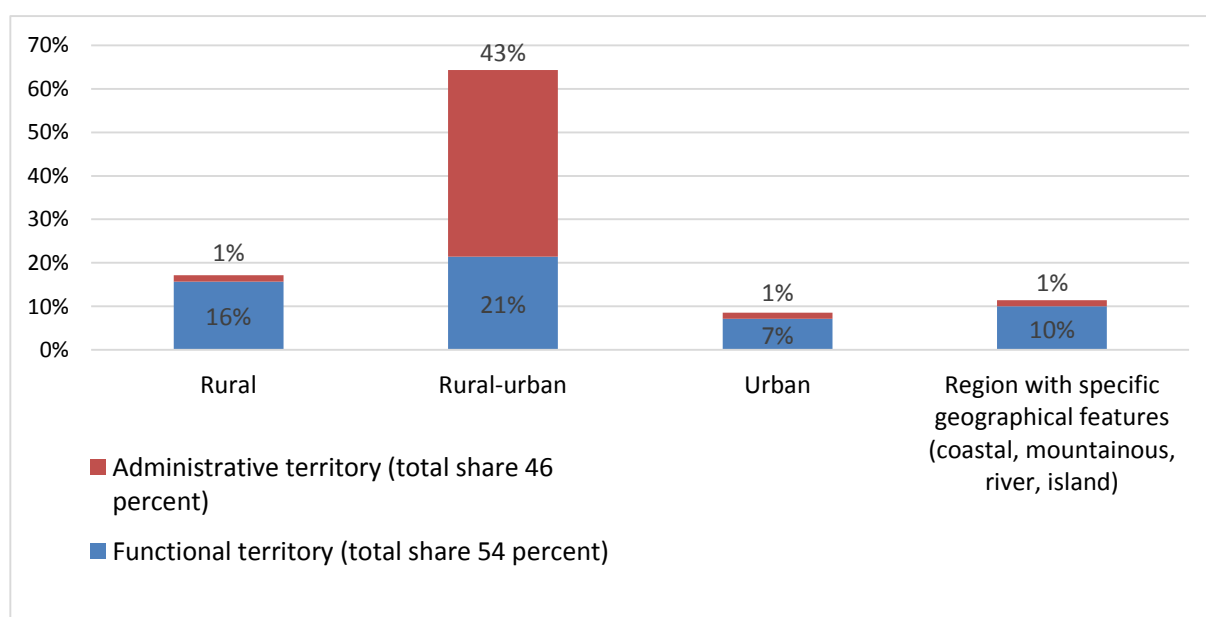


Figure 10 provides an overview of the geographical scope of non-SUD ITI strategies. Most non-SUD ITI strategies cover regions with both rural and urban areas regions (64 percent) and 17 percent cover rural regions. However, more qualitative evidence from the strategy fiches seems to suggest that these strategies are often based around a

smaller urban centre in a rural area. There are a small number of strategies that cover urban areas (eight percent). These strategies can be found in Poland where they target smaller urban centres that were not selected for the SUD approach in the regions of Lubelskie and Warminsko-Mazurskie. In Germany one non-SUD ITI strategy (Itzehoe and Brunsbuetel) covers two small towns. There is also one cross border strategy that covers a FUA. In one case, the non-SUD ITI strategy covers a large urban centre (Lisbon in Portugal) which is a single NUTS 3 region (all NUTS 3 regions in Portugal have an ITI).<sup>34</sup> Several non-SUD ITI strategies (11 percent) cover areas with specific geographical features. These include a river basin or lagoon (Danube strategy in Romania and Messologhi-Aitoliko in Greece), coastal areas (Azul and Menor Mar in Spain) islands (Schleswig Holstein), natural reserves (Millevaches in France) and mountainous areas (Valvecchiana in Italy).

Figure 10 also demonstrates those territories that can be considered more functional or more administrative. A strategy that crosses NUTS boundaries or that is only part of a NUTS 3 region can be considered to have a greater functional focus when compared to those that cover an entire administrative area (NUTS 2 or 3). Those strategies that are classified as rural-urban are significantly more likely to cover a single administrative NUTS 2 or NUTS 3 region when compared to the other categories.

**Figure 10 : Geographical scope of non-SUD ITI strategies and functional or administrative territory (n=70)**



An important feature of many strategies is their aim of addressing urban and rural challenges in a more integrated matter. A significant number of strategies identify specific rural-urban challenges (SUD – 49 percent, non-SUD-ITI – 42 percent), (see Figure 11). There are few countries where none of the strategies refers to rural-urban connections. There is a weak relation of smaller urban centres including references to urban-rural connections, but this is not sustained across all Member States. Strategies implemented by multi-thematic priority axis have slightly more frequent references to rural-urban connections. There are SUD strategies in Cyprus and Germany and non-SUD strategies in France, Italy, Portugal and Romania that include EAFRD funding. The

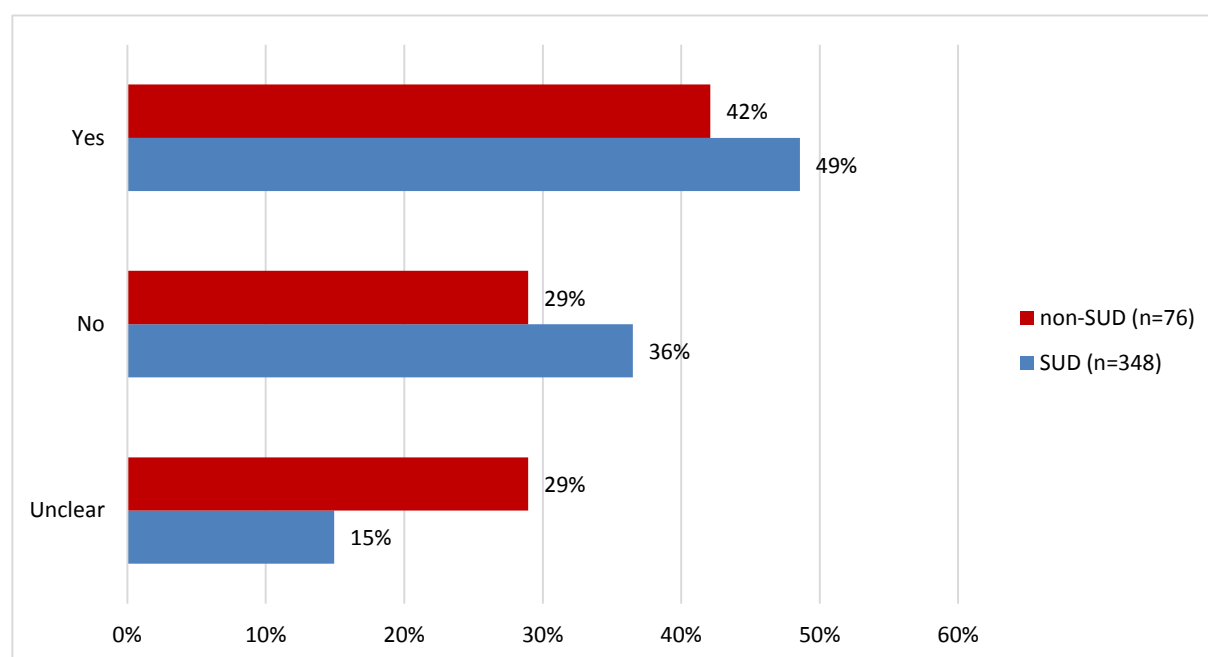
<sup>34</sup> Lisbon has a regional ITI strategy, as all NUTS 3 regions in Portugal are covered by a strategy. The city also has a SUD strategy relating to the core city (see Section 5).

inclusion of EAFRD funding in strategies could be an indication of a stronger focus on rural-urban linkages (also see Section 4.7).

The strategy fiches include a number of examples of different approaches to incorporating rural connections in SUD strategies:

- the Aurillac strategy makes reference to being developed in parallel with rural (LEADER) strategies;
- a number of SUD strategies include a large proportion of rural municipalities in the territory (e.g. Brno, CFC pole, Chomutov, Ploiesti); and
- a strategy that addresses urban sprawl (Lille).

**Figure 11: Does the strategy address rural-urban linkages?**



### 4.3 Thematic dimension

This section provides an analysis of the thematic dimension and focuses on the content for both SUD and non-SUD ITI strategies. It includes analyses of:

- challenges and objectives identified in the strategies;
- investment priorities included in the strategies; and
- the level of thematic integration and the intervention logic.

Several data sources are based on qualitative assessments by national experts, and as such the caveats outlined in Section 3.2 should be considered when interpreting the results.

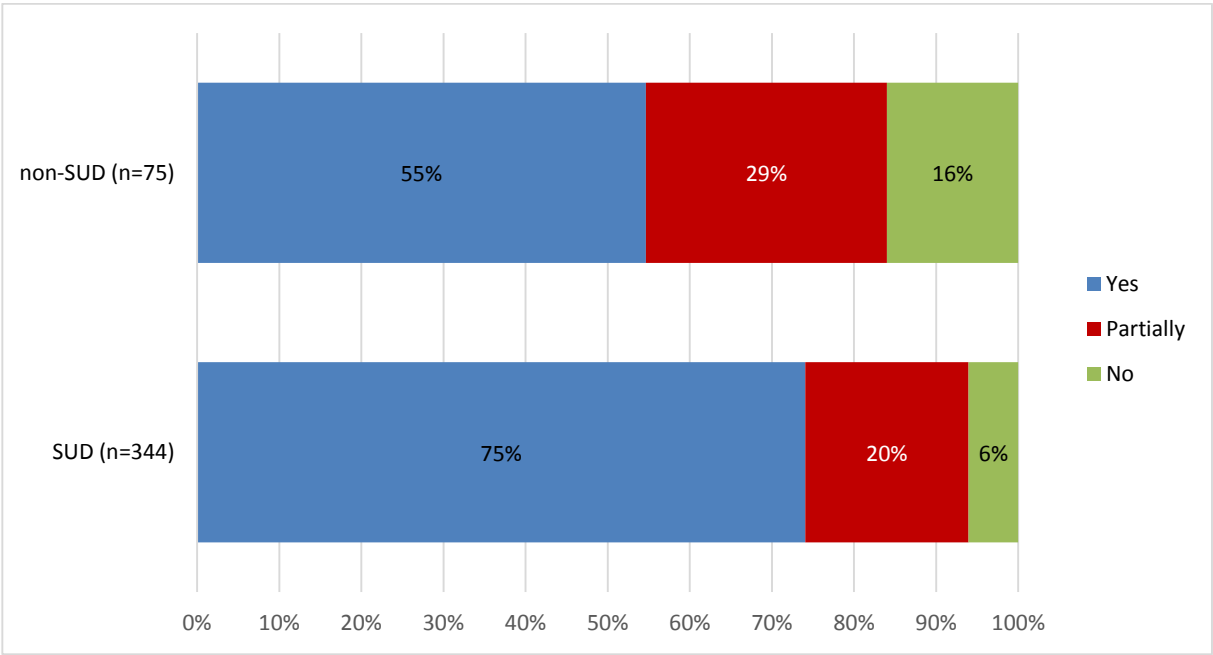
#### 4.3.1 Challenges and objectives identified in the strategy

In most strategies, challenges are clearly identified in the strategy document (see Figure 12). In a small number of cases, strategies were deemed as not identifying challenges explicitly. Also, in a significant number of cases, strategies only partially identify the challenges (i.e. the strategy does not include a comprehensive description). There are a number of possible explanations for this. First, in some strategies not all the relevant documentation may have been available. Second, the process of identifying challenges in

the strategic documents depends on the status of the document that acts as the integrated place-based strategy. In cases where this consists of a newly formed document, there is often an extensive area analysis that clearly identifies the challenges. If the document represents a summary of existing strategic documents, then the analysis of challenges in the area is sometimes limited. This is not to say that such an analysis has not been carried out as part of an underlying strategic document.

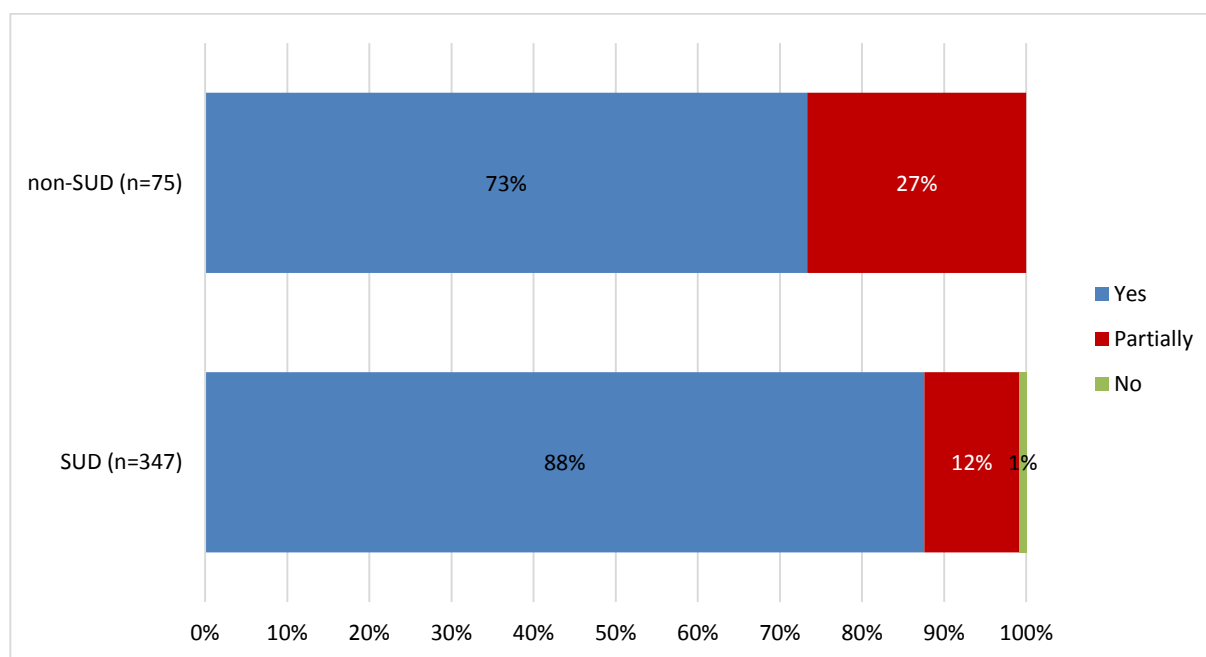
There are some differences between SUD and non-SUD ITI strategies, with the latter being considered less complete in terms of identifying challenges. This may be explained by assuming that the above two explanations apply more to non-SUD ITI strategies. It could also be that in many countries non-SUD ITI strategies did not have formal guidance documents, and there was no formal guidance from the Commission, and consequently they may be less clear in terms of including an explicit analysis of challenges.

**Figure 12: Does the strategy identify specific challenges to be addressed?**



All strategies (SUD and non-SUD ITI) except three have clearly or partially identified objectives (Figure 13). Non-SUD ITI strategies have a higher proportion of partially identified objectives; the reasons are the same as the explanations for partial coverage of challenges noted above. The non-SUD ITI strategies lacking explicit identification of objectives are mainly in Portugal.

The case studies demonstrate a wide variety of challenges and objectives. The main categories are social inclusion, environment, transport, low-carbon economy and economic growth more generally. A small number of the strategies' objectives and challenges do not always directly fit with the main thematic objectives, for example relating to areas such as tourism promotion and regional identity.

**Figure 13: Does the strategy set out clear objectives?**

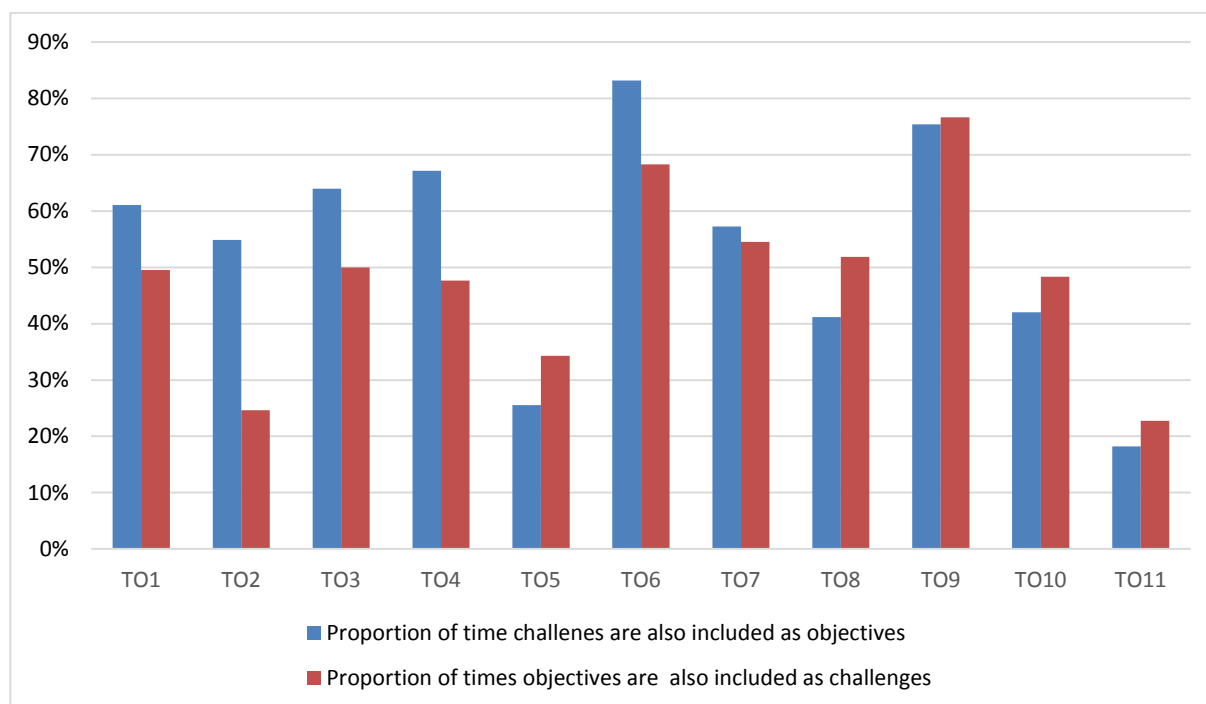
The national experts were asked to record the strategies' main challenges and objectives in summarised qualitative statements (maximum of 10 challenges and objectives). These statements were coded<sup>35</sup> using categories mirroring the thematic objectives (TOs) set out in the ESIF framework.<sup>36</sup> The analysis of the data provides insights into the coherence between the identified challenges and objectives. The blue bar in Figure 14 indicates the proportion of challenges that are also identified as objectives linked to a similar thematic objective. Thus, in all the strategies that identified one or more challenges related to TO9, 77 percent also had one or more objectives linked to TO9.

The red bars represent the opposite and indicate the proportion of objectives that are also identified as challenges linked to the similar thematic objective. Thus, of all the strategies that identify TO2 as an objective, 25 percent also identified it as a challenge.

<sup>35</sup> An important caveat is that the national experts were asked to summarise main challenges and objectives. This means that the analysis of the congruence and ultimately the coherence between challenges and objectives cannot be regarded as a full evaluation. However, it can provide important insights in terms of the extent to which specific TOs are represented in (or are absent from) strategies.

<sup>36</sup> For more information, see [http://ec.europa.eu/regional\\_policy/en/policy/what/glossary/t/thematic-objectives](http://ec.europa.eu/regional_policy/en/policy/what/glossary/t/thematic-objectives)

**Figure 14: Coherence challenges and objectives in strategies**



As the data are not based on a full evaluation of the strategies' objectives and challenges, this analysis should only be regarded as indicative. Some of the key messages include that those challenges and objectives linked to TO6 and TO9 particularly demonstrate a high level of coherence. This is followed by a number of TOs that report an average level of coherence. TO5 and TO11 as well as TO2 in terms of challenges demonstrate a lower level of coherence. These TOs are identified as challenges and objectives in a limited number of strategies. However, of those strategies that do include these as challenges or objectives, only a small proportion have specific objectives related to them, particularly in the case of TO11. The fact that TO11 is relatively often identified as a challenge but not as an objective demonstrates that one of the added values of the integrated place-based approaches relates to improving the governance structures. As IPs related to TO11 are generally not included in OPs and therefore strategies, this demonstrates that this added value is often not captured by the OP monitoring systems (see Section 4.6).

#### 4.3.3 Investment priorities

The objectives of the strategy are linked to the thematic objectives set out in the CPR and the associated investment priorities. Figure 15 provides an overview of the proportion of instances when strategies include an IP from a particular TO. The most commonly included TOs are TO4 (Supporting the shift towards a low-carbon economy in all sectors), TO6 (Preserving and protecting the environment and promoting resource efficiency) and TO9 (Promoting social inclusion, combating poverty and any discrimination).

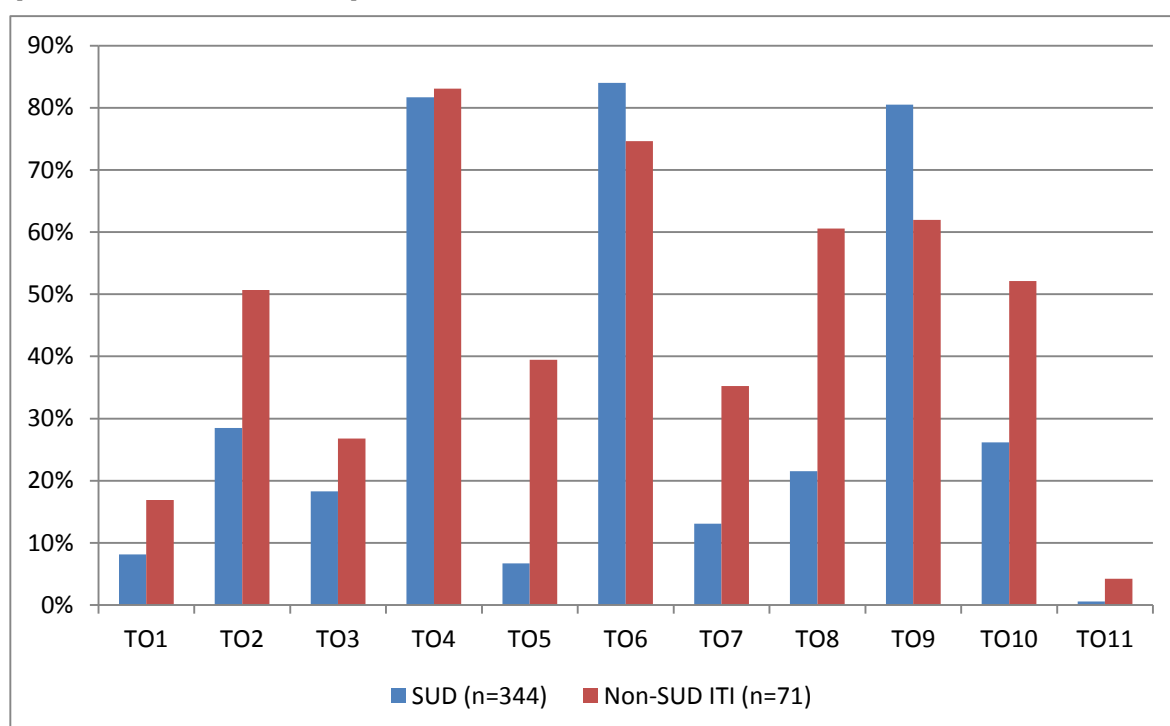
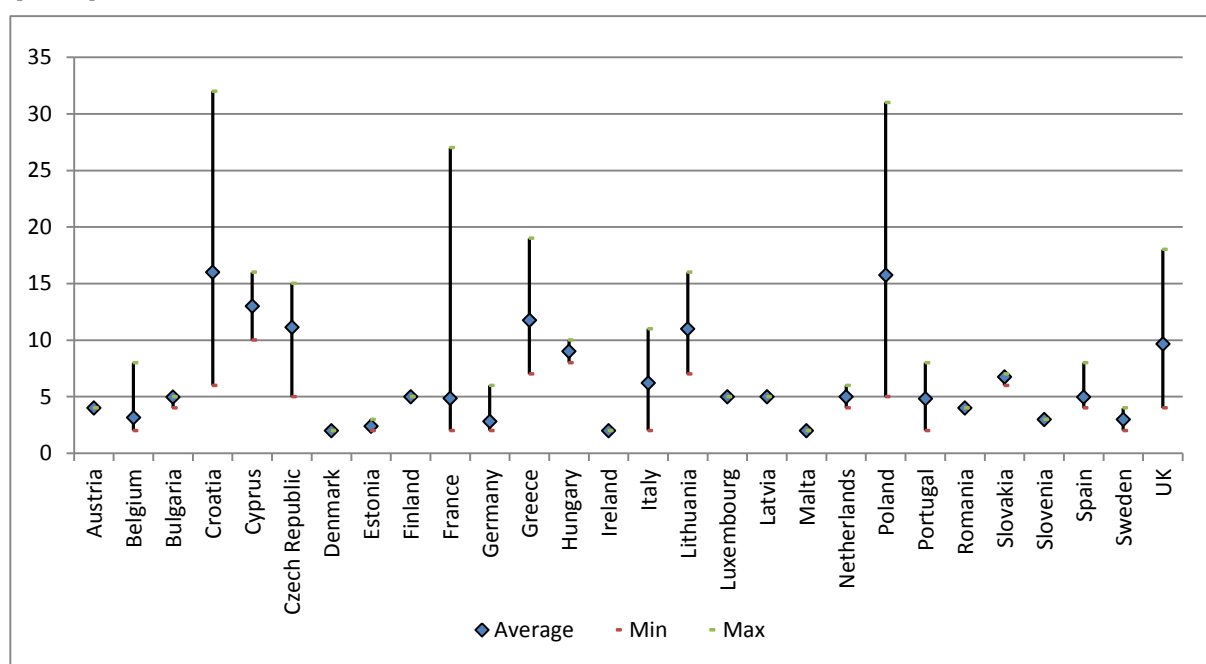
**Figure 15: Proportion of instances when an IP of a TO is included in strategy (SUD and non-SUD ITI)**

Figure 16 demonstrates the average number of IPs for SUD strategies in each Member State and provides some insight into the level of integrated actions for each strategy. Strategies in Croatia, Cyprus, Czech Republic, Greece, Lithuania and Poland have a relatively high number of IPs in each strategy (above 10), whereas strategies in Austria, Belgium, Estonia, Germany, Ireland, Malta, Romania, Slovenia and Sweden have on average a low number of IPs (under 5). Furthermore, in countries such as Croatia France, Greece, Poland and the UK the range of IPs is relatively varied. For example, in Poland the lowest number of IPs included in a strategy is 5 whereas the highest is 31. As is shown in Section 6, there are significant differences between different delivery mechanisms (OP, PrAxis and ITI) in terms of the number of IPs. ITI generally includes a higher number of IPs, which is not surprising considering that the ITI mechanism is able to combine investment from different priority axes, programmes and funds.

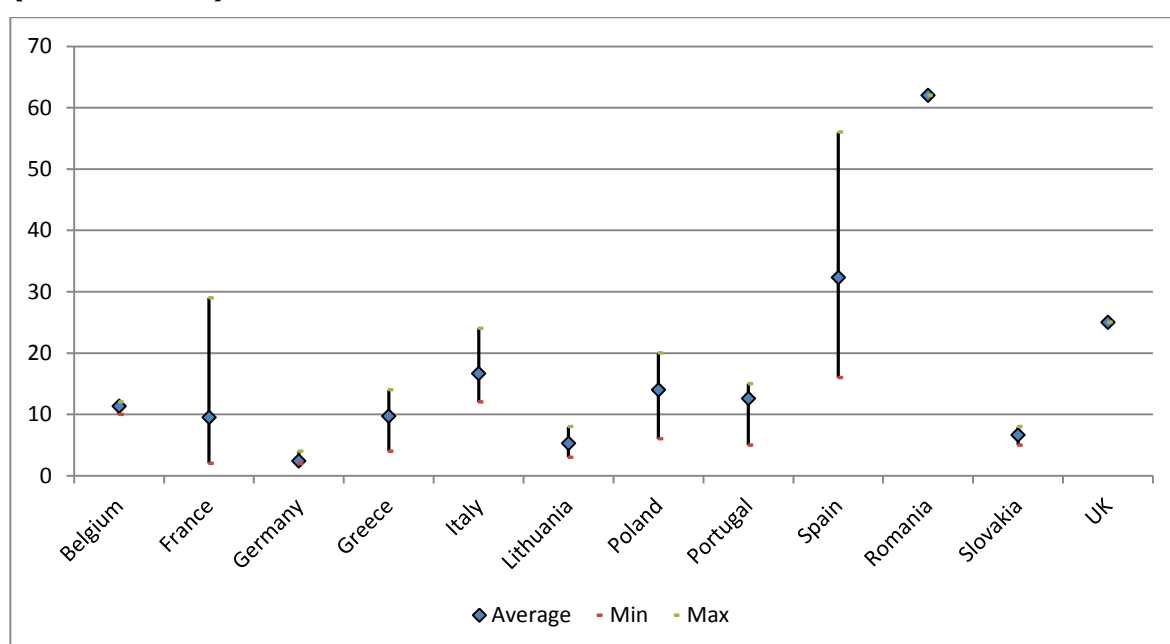
Figure 17 shows the same graph for non-SUD ITI strategies. There is considerable variation, but on average non-SUD ITI strategies include eight IPs, which is twice as high as strategies implemented by OP and PrAxis; SUD strategies implemented by ITI also have a higher number of IPs (see Section 6). Some non-SUD ITI strategies record a very high number of IPs (RO, ES, UK). The Danube strategy in Romania has 63 IPs and the Azul strategy in Spain has over 50 IPs. Such high numbers skew the average considerably. Strategies in Germany, Lithuania and Slovakia have a much lower number of IPs. There is also variation in terms of the range of IPs in strategies, particularly in France and Spain.



**Figure 16: Average, minimum and maximum number of IPs per Member State (SUD)**



**Figure 17: Average, minimum and maximum number of IPs per Member State (non-SUD ITI)**



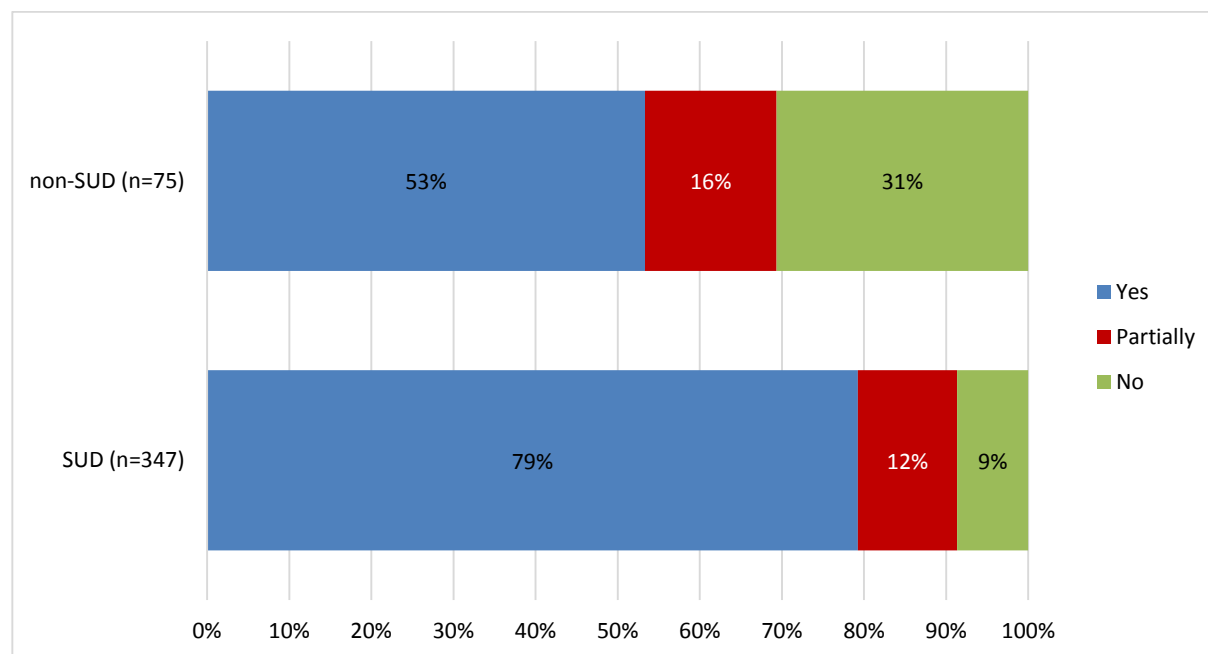
#### 4.3.4 Thematic integration and intervention logic

Without conducting a full evaluation of an individual strategy, it is difficult to establish whether strategies are thematically integrated and have coherent intervention logic. Nevertheless, this section reports several measures that may provide some initial assessment of these elements and which can form the basis for future research.

The national experts were asked to consider the extent to which strategies applied an integrated, multi-sectoral approach. What is being considered is whether there is evidence that the territorial challenges identified in the strategy are being analysed from the point of view of different relevant or involved sectors. In most instances, it was judged to be the case (SUD – 79 percent, non-SUD ITI – 53 percent) that the strategies apply an integrated, multi-sectoral approach to territorial challenges (Figure 18). As most

national experts were responsible for strategies in a single country, the assessment of strategies within one country can be considered more robust than a comparison between different countries. In some countries, such as Germany, Ireland and Slovenia, variation between strategies is noted for SUD strategies. This also appears to be the case for non-SUD ITI strategies in Germany, Lithuania and Poland.

**Figure 18: Does the strategy apply an integrated approach?**

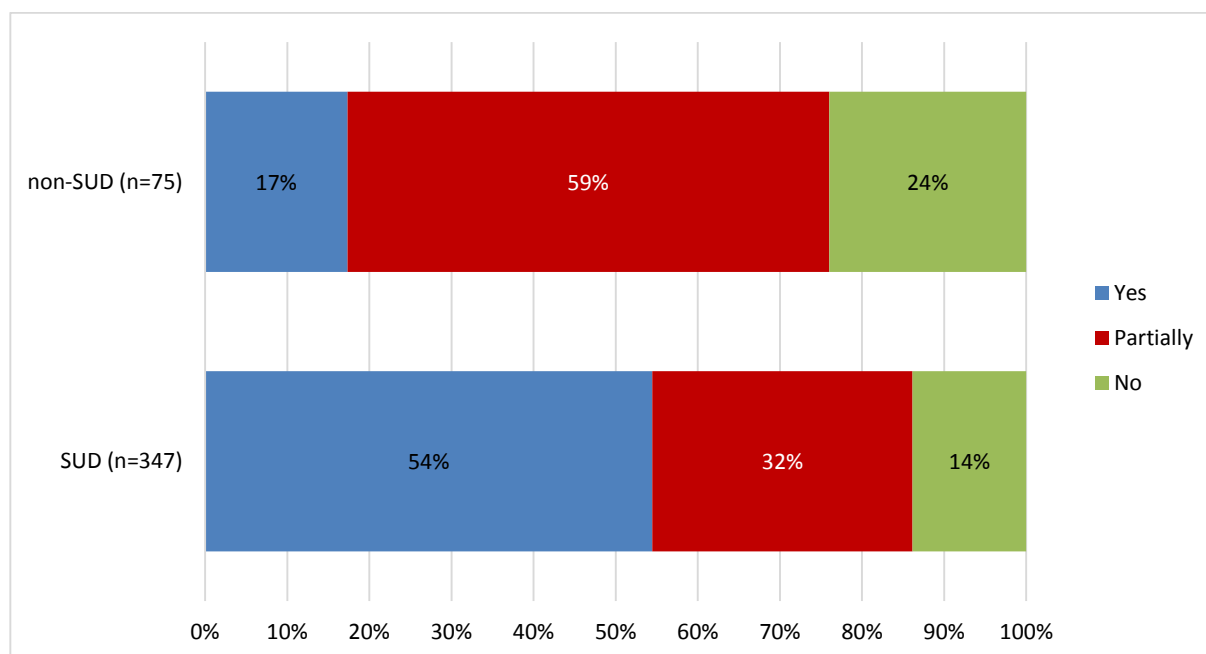


In terms of the intervention logic, the overall assessment is that the intervention logic of the strategies, as defined by the European Commission,<sup>37</sup> is considered to be clear in 54 percent of SUD strategies and 17 percent of non-SUD ITI strategies, and a considerable number have partially identified intervention logics (Figure 19). However, in some countries there is variation between strategies in terms of the explicit inclusion of intervention logic. There is also variation across MAs in terms of the presentation of the intervention logic in the strategies. For example, in Poland, the strategy of the Central Sub-region in Śląskie has a logic matrix and an objectives table, while other Polish strategies devote less space and attention to outlining the intervention logic. Furthermore, approaches that are based on pre-existing strategies may not always use the Commission's methodology in terms of developing an intervention logic. Lastly, a full intervention logic may not always be apparent in those strategies that are very small (effectively project proposals), such as in Denmark and Ireland. In Vejle (DK), the SUD strategy does not contain clear objectives, but it can be seen as a contextual background document, lacking clear links to objectives at the OP level.

There does appear to be a difference between SUD strategies that include a clear intervention logic and non-SUD ITI strategies. This can potentially be explained by the more limited guidance made available for non-SUD ITI strategies, which are therefore not as familiar with the explicit application of the intervention logic methodology developed by the Commission. Furthermore, as strategy documents are often based on domestic strategies, they may not include an explicit intervention logic.

<sup>37</sup> Gaffey V (2012) *A Fresh Look at the Intervention Logic of Structural Funds*, available at: [http://ec.europa.eu/regional\\_policy/sources/impact/evaluation/conf\\_doc/helsinki\\_vg\\_2012.pdf](http://ec.europa.eu/regional_policy/sources/impact/evaluation/conf_doc/helsinki_vg_2012.pdf); European Commission (N.D.) *Outcome And Impact Level And Impact Level Intervention Logic & Indicators Intervention Logic & Indicators Methodological Approach*, available at: [http://ec.europa.eu/europeaid/how/evaluation/methodology/impact\\_indicators/wp\\_meth\\_en.pdf](http://ec.europa.eu/europeaid/how/evaluation/methodology/impact_indicators/wp_meth_en.pdf)

**Figure 19: Does the strategy apply clear intervention logic?**



#### 4.4 Knowledge dimension

The knowledge dimension of integrated place-based approaches encompasses:

- the development of strategies;
- linkages to previous strategies;
- consultation processes;
- the approval process; and
- the planning horizon.

##### 4.4.1 Development of the strategies

Member States have taken two different approaches to selecting areas that are allocated SUD or non-SUD ITI funding. In most cases, areas were designated as part of the Partnership Agreement or Operational Programme development. In most cases where this approach is taken, the selection is linked to domestic criteria for classifying urban centres or other priority areas (e.g. in Bulgaria, eligibility is linked to three tiers of urban centres).

Second, some countries and regions used a competitive process to allocate funding. This approach involves the pre-selection of areas that are eligible for the call. The competitive approach can be divided into two sub-categories: those for which the process is truly competitive, with winners and losers (e.g. AT, FI, some in FR, IT and DE); and those cases where there is a call for strategies based on the premise that all strategies will be selected (e.g. ES, PT, RO, BG, some regions in FR). In the latter cases, the call for strategies is a mechanism for developing strategies and setting a timetable to manage strategy development and implementation.

Most non-SUD ITI strategies were pre-identified in the Operational Programmes, but a competitive selection process was also used for non-SUD ITI strategies. Furthermore, there are also examples of cases where non-SUD ITI areas were identified after the OP had been approved (e.g. Aragon in Spain).

Related to these different selection approaches is whether strategies use a bottom-up or top-down development framework. The rationale for place-based approaches is the inclusion of local knowledge that is supported by ideas and finance from the central level. Thus, in all cases there is a combination of bottom-up and top-down elements. However, there are some important differences. The following cases demonstrate *top-down* influences on strategies.

- The main reason for the development of the Chomutov (CZ) strategy is that it is a central requirement for ESIF funding, as was the decision to use an ITI as an implementation mechanism. However, at the same time there was a strong political will to address local challenges.
- For the Patras (EL) strategy, it is noted that the main reason for the strategy is the requirement set by the MA.
- Similarly, the Tartu (EE) strategy was developed because it was a prerequisite for applying for funds.
- The decision to develop a non-SUD ITI strategy in the Danube region (RO) originated centrally, although it recognised that local knowledge was a key requirement for developing the strategy.

A more *bottom-up* rationale for developing the strategies is also apparent in some of the strategy fiches.

- Walbrzych (PL) is an example of strong local support for developing an ITI strategy. Initially, the Polish Government decided that ITI would only be obligatorily implemented in the functional areas of regional capital cities. Due to strong local and regional support, two more ITI strategies around sub-regionally important FUAs were created in the Dolnoslaskie region.
- Certain non-SUD ITI strategies appear to originate from bottom-up initiatives and strong local demands. For example, in Belgium the development of ITI Limburg (SALK) was driven by local needs in terms of factory closures. Importantly, the initiative led to other regions (West-Vlaanderen and de Kempen) to demand similar arrangements. Also, the Cornwall and the Isles of Scilly region in the UK strongly lobbied the central government for its own ITI strategy.

The strategy fiches demonstrate the diverse nature of stakeholder involvement in the strategy design process (although responsibilities for design and consultation input – see Section 4.4.3 – are somewhat blurred). The main actors involved in the design of the strategy tend to be public authorities, including municipalities, and regional and central administrations (where appropriate). In several cases, academia and experts played an important role in the strategy design process. For example, in Timisoara (RO) a large part of the analysis was carried out by the local university, and also in Maribor (SI) the university was heavily involved in the design process. Managing authorities can also play an active role in the design process as is illustrated in the case of Zagreb (HR), where there was close coordination with the MA to ensure that the specificities of the territory were understood, particularly in terms of establishing a large and effective partnership. In some cases, the MA can take the lead in developing non-SUD ITI strategies (e.g. Egnatia Odos strategy in Greece).

A wider group of stakeholders, including economic and social partners, NGOs, private sector, citizen representatives, etc., can be represented in a structure that oversees the design process. These structures can take different forms such as an advisory board consisting of experts (Tatabanya and Vienna), a steering group (Chomutov, Prague, Tartu, Vienna), a partnership council (Nitra), a programming board (Stockholm) or *ad-hoc* working groups and committees (Aurillac, Maribor, Plovdiv, Reggio Emilia). The governance architecture for the design process is, in most cases, linked to that of the management, implementation and monitoring stages (see Section 4.5).

Many of the strategies were informed and shaped by guidelines issued at the EU, national and/or regional levels. Guidance within Member States was provided in a range of different formats:

- formal guidance issued by the MA (e.g. Cork, Brno, Barcelona, Kaunas, Malaga, Maribor, Nitra, Patras, Pazardzhik, Prague, Tartu, Tatabanya, Timisoara);
- templates or standardised format (e.g. Aurillac, Barcelona, The Hague);
- calls for strategies that provided explicit details on requirements in terms of strategy design (e.g. Cascais, Porto, Tâmega e Sousa);
- network activities and exchange between cities (e.g. Malaga, The Hague);
- specific workshops to inform technical staff of requirements (Katowice); and
- other guidance considered during the design phase, such as URBAN project guidance (e.g. Malaga).

Several methodological approaches were used to inform the design process.

- In some cases, the strategy design process involved a summary of pre-existing documents (e.g. Vejle and Porto) (see Section 4.4.2).
- A common feature of the design process was an area analysis. In many cases where the strategy was based on a pre-existing strategy, a previous area analysis informed the strategy design. Conversely, the SUD framework also informed the domestic strategy development and allowed local authorities to familiarise themselves with new methodologies and approaches (e.g. CFC pole). The area analysis in some cases focused on the targeted territory (e.g. Stockholm). In other cases, it was used for territorial selection (i.e. Egnatia Odos, Prague). Another contrast was that in some cases the area analysis was a technocratic exercise led by experts (e.g. Maribor, Prague, Reggio Emilia), whereas for others it reflected a consultation-style approach (e.g. Lille).
- The methodology could involve an explicit prioritisation of the project operation (e.g. Egnatia Odos and Timisoara) and establish a project pipeline (e.g. Tatabanya).
- In some cases the strategy documents were subjected to a Strategic Environmental Assessment (e.g. Nitra).
- There are examples of exchanges between SUD eligible cities informing the design process (e.g. Malaga, The Hague).
- Capacity-building activities for technical staff were undertaken. For example, the Aurillac strategy benefited from seminars for urban authorities in Brussels and Ghent, which included meeting with the Commission. A number of strategies were also peer-reviewed in the context of the UDN peer-to-peer network (Brno, Maribor, Reggio Emilia). Other methodological approaches included stakeholder-mapping (e.g. Prague), ring-fenced funding for technical support through preparatory studies, project engineering and animation (Aurillac), and high-level seminars.

Lastly, a number of strategies included a risk analysis (SUD 34 percent and non-SUD ITI 27 percent), identifying the main risks relating to the strategies (operational, financial, legal, staffing, technical, behavioural) as per Commission guidance.<sup>38</sup> It is mainly new strategies or ones that have been significantly adapted (see Section 4.4.2) that include such information in the strategy documents.

#### *4.4.2. Linkages to previous strategies*

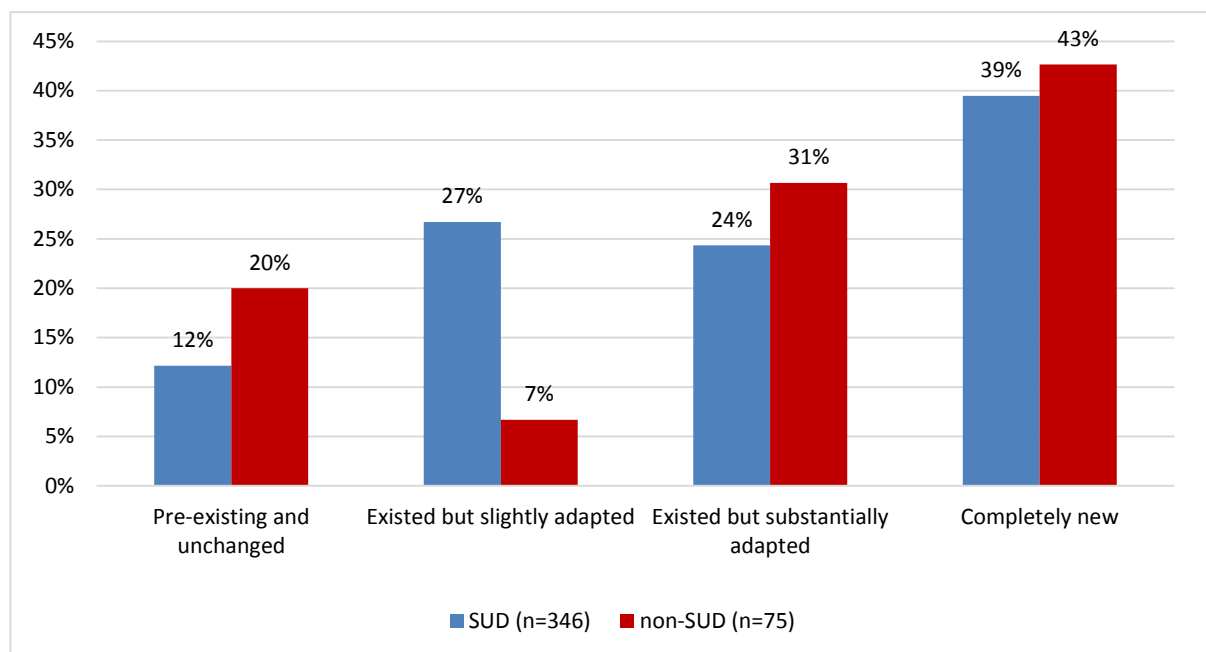
Most SUD and non-SUD ITI strategies are newly developed or substantially adapted from existing strategies (see Figure 20). There is an apparent divide between MDR and LDR (see Section 6). In the former, strategies tend to be based on already existing strategies, whereas in LDR they are newly developed. However, there are exceptions, for example in

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<sup>38</sup> European Commission (2015) *op. cit.*

Sweden where strategies are newly drafted documents. In Finland, a new strategy was developed for the Six Cities network, but this was based on pre-existing strategies in each city.

**Figure 20: Development of the integrated place-based strategies**



The content of the strategic documents for SUD and non-SUD ITI strategies varies greatly. In most cases, the strategies build on existing strategy documents, often bringing sector-specific strategy documents together into a single integrated strategy for a territory. In particular, in Member States in Central & Eastern Europe, and particularly in those using the ITI mechanism, the process has led to the development of new strategy documents (see Section 6).

By contrast, in MDR with extensive experience in implementing integrated approaches, the strategy documents that have been developed as part of the ESIF 2014-20 period often represent a summary linking the domestic approaches of urban and/or regional development to ERDF OP priorities. Furthermore, when funding allocations are limited, the documents are more like project applications summarising links to existing strategic documents (i.e. Cork and Vejle). For those strategies covered by a single OP, the OP document is considered as the strategy (e.g. Stockholm and Brussels). Also in these cases, the strategy documents clearly link to domestic pre-existing documents.

Figure 21 illustrates the strategic documents that inform the integrated place-based approaches, adapted in line with the ESIF regulation. Adjustments ranged from making significant changes to the original approach that leads to effectively new strategy documents or minor efforts to 'translate' the already existing approach to match the 2014-20 ESIF requirements. Domestic urban or regional policies can have a major influence on the final strategy. For example:

- in Lille (FR), where the Contrat de Ville policy is the main driver of urban development policy and the ESIF requirements are embedded within it;
- in Berlin, where the Future Initiative City Districts II programme (*Zukunftsinitiative Stadtteile II*, ZIS II) and the Berlin Programme for Sustainable Development (*Programm für nachhaltige Entwicklung*) form the basis of the ESIF approach; and
- in Cork (IE), where, as part of national planning requirements, the city has a development plan to set out the overall strategy for future development.

The strategies can also be closely linked to previously established and important domestic local or regional strategies. For example:

- the Nicosia SUD (CY) is a part of the wider strategy of the Central Area Plan, which takes into account specific strategies of the municipality for sustainable mobility, innovation and social policy; and
- the ITI Limburg (DE) is embedded in the recently established but high-profile domestic regional SALK strategy.

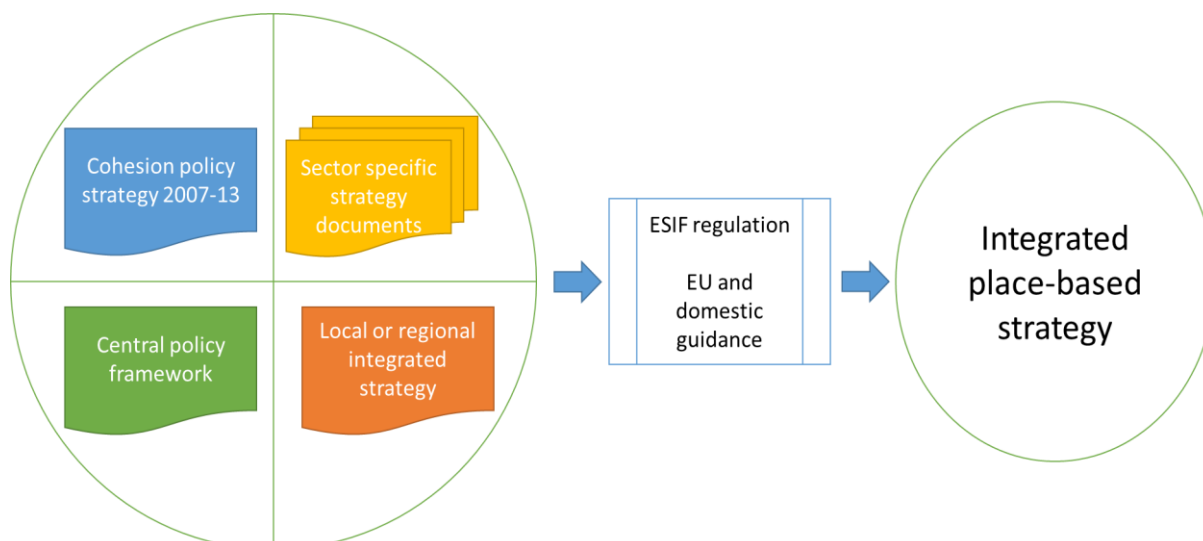
In some instances, the strategies and general approach to implementing ESI Funds in urban centres are a continuation of previous existing practices under Cohesion policy in the 2007-13 period. The following cases illustrate these links.

- Despite the introduction of ITI in The Hague, very little has changed in terms of how ESI Funds are implemented.
- The ITI in Katowice (PL) builds on experience from the 2007-13 programme period, when the Śląskie ROP included four sub-regional platforms: Central, South, North and West. Each sub-region developed partnership arrangements involving local self-governments at NUTS 4 and NUTS 5 levels.
- Malaga (ES) notes how its strategy is a continuation of the URBAN 2007-13 period.
- Pecs and Tatabánya and the rest of Hungary, as well as Ploiesti and other cities in Romania, had already developed urban development strategies as part of the 2007-13 requirements.
- In Reggio Emilia (IT) and Stockholm, the SUD approach is closely linked to the Smart Specialisation Strategy in the region.

Strategies can be categorised in three strands in terms of the changes in relation to the implementation of ESI funds in the 2007-13 period:

- the same approach as in 2007-13 with some minor changes (Brussels, The Hague, Stockholm, Cork, Nicosia);
- continuation of the approach in 2007-13 but with significant changes (Katowice, Maribor, Timisoara, Ploiesti, Liepaja, Pecs, Tatabánya, Debrecen, Nordhausen, CFC, Tartu, Vejle); and
- major change in terms of the way ESI Funds are implemented (Nitra, Limburg, Plovdiv, Azul, Danube, Kaunas, Six Cities, Brno, Ústí nad Labem).

**Figure 21: Sources of SUD and non-SUD ITI strategies**





#### 4.4.3 Consultation

Overall, 53 percent of all SUD strategies and 27 percent of non-SUD ITI strategies provide comprehensive details of the consultation process. For other strategies, it is not always possible to obtain a full picture of the consultation approaches taken in the strategy development process from strategy documents. Those strategies that are completely new tend to have a detailed description of the consultation process, although not in all cases. Where pre-existing strategies form the basis of the strategy documents, consultation has often taken place for the pre-existing strategy, but these details are not included in the new strategy document.

In most cases, a combination of consultation events and approaches were organised, which included online (52 percent), public consultation events (59 percent), targeted consultation such as workshops for experts (84 percent), and other activities (five percent) such as direct personal contact, creation of citizens' councils, and hard-copy questionnaires.

There are three ways in which consultation on the strategy design took place. First, consultation was undertaken within the OP development process (e.g. Brussels, Cornwall and the Isles of Scilly, Cork, London, Reggio Emilia). In these cases, a further extensive consultation process as part of the strategy design process was considered unnecessary. Second, as mentioned above, consultation was organised as part of a domestic strategy development process (e.g. CFC pole, Cork, Limburg, The Hague, Torino, Vejle and Vienna). Third, consultation was part of the strategy development process. This latter approach was common but differed in terms of the type of actors included as well as the techniques used. In addition to the use of pre-existing consultation, the strategy fiches indicate other reasons for not conducting consultations, such as limited resources (Porto), time (Porto and Cascais) and capacity challenges (Lille).

Exactly who was consulted depended on the following factors:

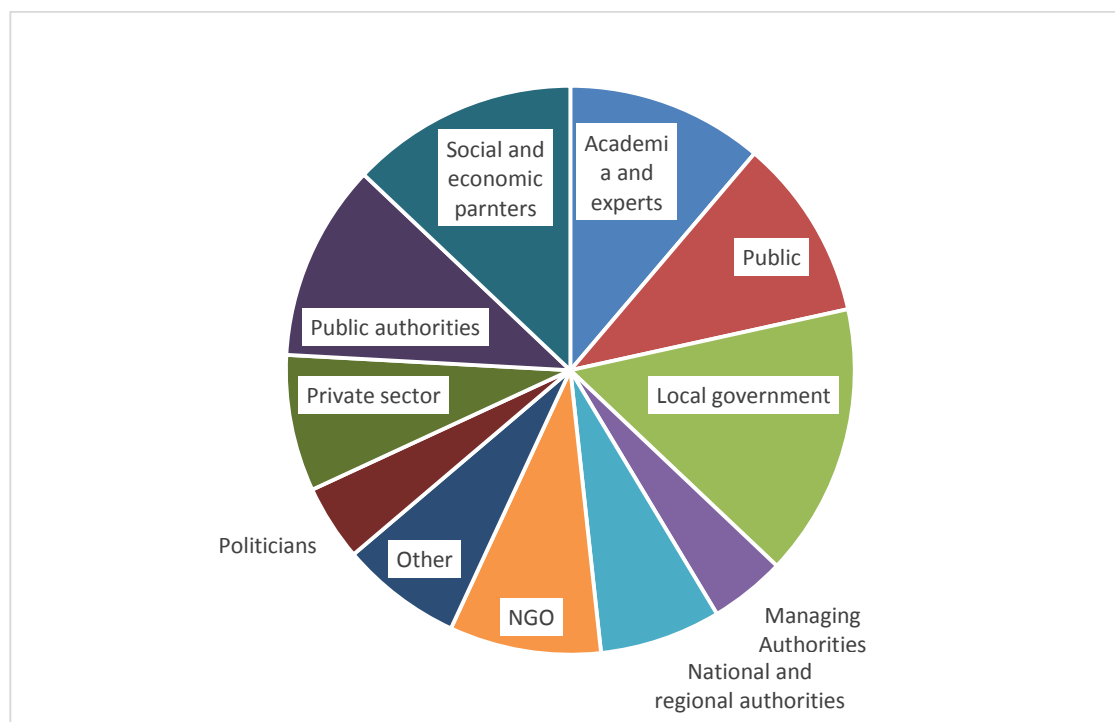
- **level of funding** available for consultation (wider consultation was in some cases considered too costly);
- **timescales** of the strategy design process, which could limit the consultation process (in particular, public consultation is considered time-consuming);
- **perceived importance at the political level** – for some strategies, the design process was largely an administrative exercise with relatively little political involvement and therefore required only limited consultation beyond experts;
- **potential future beneficiaries** of the strategy were often involved, in particular to ensure future absorption;
- **commitment to public engagement** – several strategies indicated a strong commitment to public engagement either as an established practice or because the SUD development process was regarded as an opportunity to engage with the public;
- **administrative culture and traditions** – the engagement and consultation often followed a long-established pattern of partners; and
- **content of the strategy** determined which stakeholders were appropriate to be consulted.

Figure 22 is based on the data in strategy fiches. Each slice of the chart represents the number of times that certain stakeholders are mentioned in the fiches as consulted partners. In most cases, public authorities including local, regional and national authorities are strongly represented. There are a number of strategies where significant efforts were made to include the general public. For example, in Pecs surveys were distributed by mailings and two public hearings were organised that specifically targeted all citizens; in Prague, public consultation took place as part of the Strategic



Environmental Assessment (SEA); and Consultative District Councils, which are informal assemblies of private citizens, were established in each quarter of Timisoara. The private sector was in some cases specifically targeted. For example, Tatabanya developed a specific questionnaire to seek the views of local SMEs on business development needs in the area.

**Figure 22: Type of stakeholders consulted**



Different consultation events were organised as part of the strategy design process:

- public meetings or large stakeholder events (held for many strategies);
- thematic workshops and working groups with specialist participants were common;
- focus groups (Pazardzhik and Timisoara) and targeted stakeholder interviews (The Hague, Berlin, Brussels, Limburg, Plovdiv, Tartu);
- online consultations (Lublin, Ploiesti, Walbrzych, Debrecen, Elblag, London, Malaga, Patras, Prague, Tartu, Tatabanya, Zagreb) and paper-based (Lublin, Maribor, Pazardzhik, Pecs, Ploiesti, Walbrzych) surveys;
- targeted questionnaires (SMEs) (Tatabanya);
- political consultation (Kaunas, Maribor, Patras The Hague);
- consultation requirement as part of the Strategic Environmental Assessment (SEA) (Danube, Ploiesti, Prague, Timisoara); and
- cross-city consultation with other SUD partners was also facilitated in order to ensure close coordination (Brno, Chomutov).

Despite significant efforts on the part of the strategy design teams, there are several examples in the strategy fiches which report that the consultation had a limited impact. For example, the online consultation of the Elblag only received two responses, and two public meetings were attended by only 19 people. However, the responses were systematically recorded and where possible taken into account during the strategy development process. In the case of the Danube ITI, the involvement of municipalities was considered disappointing. The approach taken in Debrecen (see Box 3) also demonstrates the challenges of conducting an extensive consultation process. In Kaunas, the limited time available to develop the strategy meant that certain groups (particularly the business community) could not be consulted. Efforts to engage with hard-to-reach

groups such as children in poverty and/or NEETs (those predominantly young people who are 'not in education, employment or training') also faced significant obstacles (London). And in Pecs, the consultation process was considered somewhat disappointing for the city, as actual mobilisation remained far below the anticipated number, despite significant awareness-raising efforts.

### **Box 3: Public consultation in Debrecen**

In Debrecen, eight locations hosted public fora where local residents received an explanation of the strategy and information on the envisaged interventions in their localities. These events were attended by an official with the status of deputy mayor, at least. A drawing competition helped to explore the perception of children for the city's future, while an ideas competition encouraged university and college students to share their thoughts on improving apartment-complex areas and community spaces.

Contributions from both the civil sector and local residents were more limited than expected; recognising and utilising the opportunities offered by such a planning process requires awareness, knowledge and skills that take time to develop. The rather technical style of the documents also proved discouraging. Local residents were efficient in identifying concrete problems in their localities, and this was encouraged and used for drawing up the problem map; since then, both the civil sector and local communities have shown growing engagement in reflecting on planned/implemented developments.

On the other hand, consultation contributions led to significant changes and had major impacts on strategy design. For example, the Katowice consultation received important, detailed information concerning revitalisation problems and priorities for integrated public transport, and these inputs had a significant impact through informing and strengthening the strategy. In Lille, consultations with municipalities revealed the local preference for competitive calls for applications in order to be able to compete with larger municipalities. In Malaga, the consultation is considered to have been very influential, and this participatory approach will be maintained during the implementation stage through the organisation of an annual assembly in which citizens can evaluate the strategy and offer proposals for change. Web platforms, social network and other communication tools will be used to disseminate findings and inform on progress.

#### *4.4.4 Approval process*

The timing of the design process varied across Member States and strategies. In some cases, the design process started early, e.g. in Katowice, the process of developing an ITI started in 2012. In others, the development of the strategies was not started until 2015. However, starting the process early was no guarantee of a timely approval. In Romania, strategy design started in 2014 but was not expected to be approved until the second half of 2017.

The approval process was affected by delays in approving the OPs (Aurillac, Debrecen, Pazardzhik, Tatabanya, The Hague Cornwall and the Isles of Scilly, Nordhausen, Torino, Matera). In Lille, as in other French cities, delays were linked to recent institutional and political changes at the local level. Frequent changes of staff or management structures were also a cause of delay (Danube, Nitra). Timescales for developing strategies were in some cases also perceived as very tight (Porto, Cascais, Cork).

The design process may consist of multiple phases (Brno, Tâmega e Sousa) that impact on the approval processes. For example, in Plovdiv a two-stage approach first agreed the strategic document (Integrated Plans for Urban Regeneration and Development, IPURD) and then a more targeted Investment Plan. In Hungary, strategies consist of an integrated urban development strategy and an integrated territorial programme. The existence of multiple approval stages both at MA level in the case of multi-funds and at

local level when it involved a wide range of local actors sometimes complicated the process, particularly when multiple MAs and local authorities were involved (CZ). In the case of Kaunas, the strategy had to be approved by the local, regional and national levels. In the latter instance, this involved coordination across different ministries. In Tatabanya, the general assembly granted approval at important milestones.

In all cases, the strategy approval process involved an assessment of the strategy by the MA, organised in different ways. For example, in the case of Maribor an independent organisation carried out an assessment on behalf of the Minister of Environment and Spatial Planning. In Prague also, the assessment process involved external experts whose recommendations led to a refocusing of some of the priorities. In Tartu, the strategy was assessed by the MA, relevant sectoral ministries (Ministry of Economy and Communications, Ministry of Environment, and Ministry of Social Affairs) and thematic experts to ensure that it was in line with existing sectoral development plans and policies. In Brno and Prague, following a call for proposals launched by the Ministry of Regional Development, formal and factual appraisals were carried out by the ministry and the managing authorities of the contributing OPs.

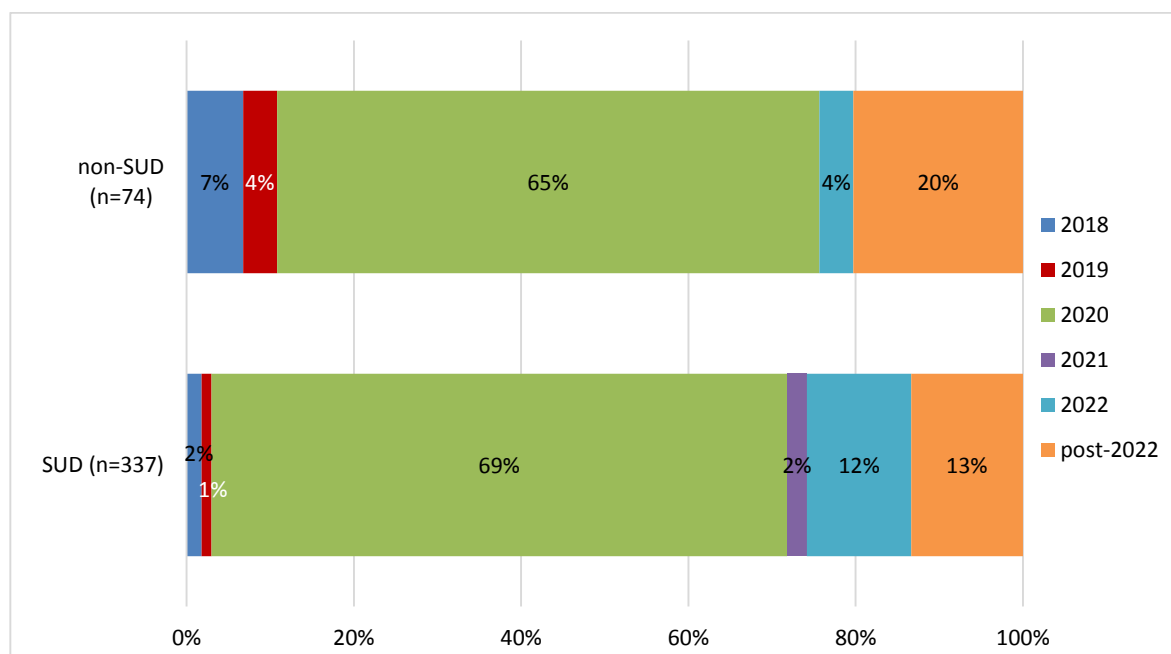
On the other hand, in Timisoara a full ex-ante evaluation/quality peer review of the strategy was not anticipated. The Regional Development Agency (ADR) verified the quality of the work and also ensured its consistency with the existing regional strategies. In Cornwall and the Isles of Scilly, the involvement of the MA in strategy assessment was considered limited. In Kaunas, the strategy assessment did not take the form of a formal evaluation.

The approval process was also characterised by strategies that required only administrative approval and those that required legislative approval. The requirement for legislative approval depended on domestic procedures and the status of the document, as well as whether it was new. For example, the Danube strategy was approved through a legal government decision. The approval of the Debrecen strategy took the form of a government decision; and in Kaunas formal approval consisted of a three-level legislative process (Kaunas City Council, regional council and Minister of the Interior). Other strategies did not require legislative approval, e.g. for the CFC pole strategy in France, collegial decisions were made based on political and administrative decisions.

Working groups, partnership councils (e.g. Nitra, Zagreb), etc. were established in a large number of cases to support the strategy development process. They provided expert advice and facilitated the approval process. These monitoring structures often continued to be active in the implementation phase and play an important role.

#### *4.4.5 Planning horizon*

The planning horizon for both SUD and non-SUD ITI strategies is broadly similar (see Figure 23). Around three-quarters of the strategies mirror the timeframe of the programme period between 2020 and 2022. A slightly larger proportion of non-SUD ITI strategies have a planning horizon that extends beyond 2020. For some SUD strategies (and a small proportion of non-SUD ITI strategies), the planning horizon of the strategy appears to end before 2020, in some cases determined by the timetable of existing strategies.

**Figure 23: Planning horizon SUD and non-SUD ITI**

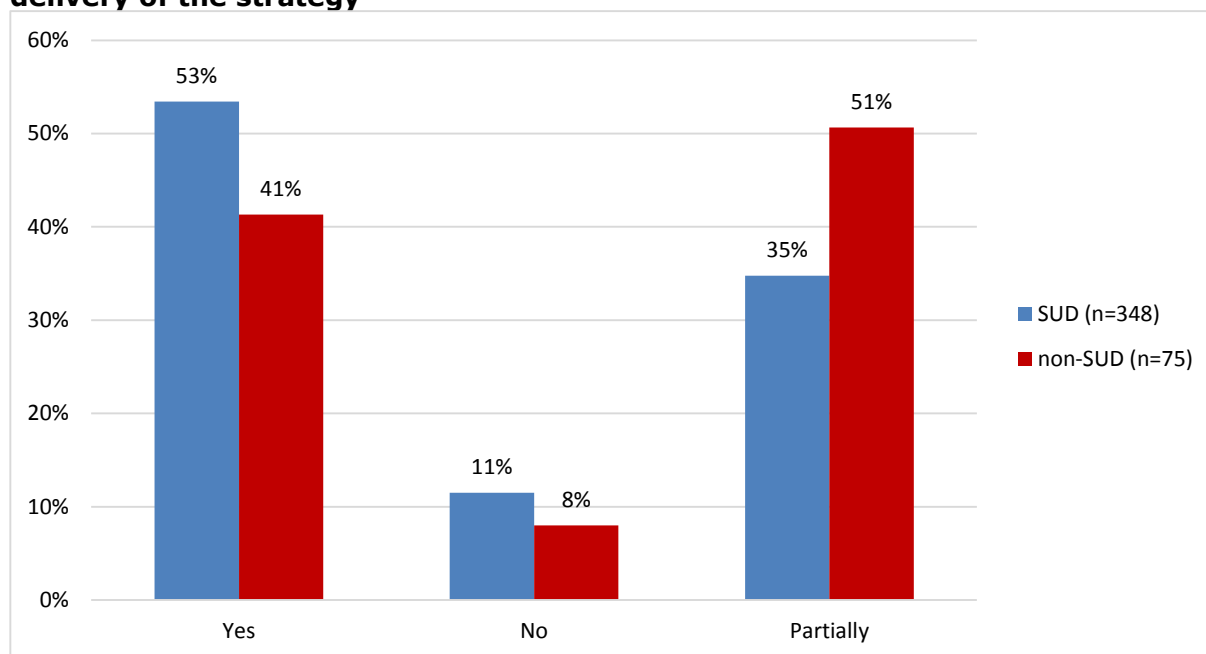
#### 4.5 Governance dimension

Effective and efficient implementation and delivery are key to the success of the SUD and non-SUD ITI strategies. Further, administrative/institutional added value is a major area of emerging added value for the strategies. Thus, strategy governance is a key issue for this analysis. It is important to note some caveats to this analysis. Most SUD and non-SUD ITI strategies include a section that explains the institutional framework for the delivery of the strategy (Figure 24), and this provides a basis for the analysis of governance arrangements. However, in some cases information on governance arrangements was not available in the strategy documents. As a result, some areas have information gaps, for example on exact roles and responsibilities.

Despite these issues, it is possible to identify key trends and notable variations based on the cases where data are available. In some instances, it is possible to come to broad conclusions on a country level, as common approaches have been developed. In others, the approaches developed are region/strategy-specific. Thus, both country cases and region-specific cases are covered in the analysis.

The analysis initially examined overall implementation arrangements, including the distribution of responsibilities between different administrative tiers and between managing authorities and implementing bodies. Subsequently, the governance arrangements for the different stages of management and implementation were assessed: strategy design, project generation and selection, and monitoring and evaluation.

**Figure 24: Strategy contains an explanation of institutional framework for the delivery of the strategy**

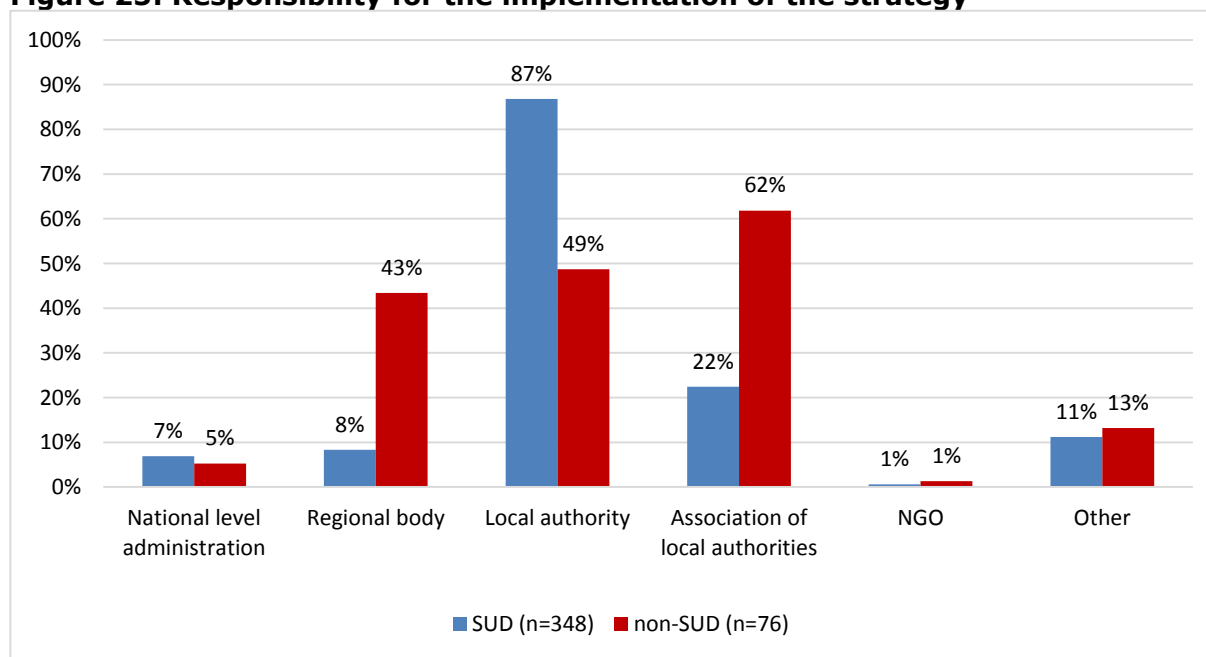


#### 4.5.1 Implementation arrangements

##### (i) Distribution of responsibilities

In broad terms, the main implementation responsibilities are shared between UAs and MAs at national or regional level. As Figure 25 illustrates, the local level is responsible for the implementation of SUD in most cases (either solely, or jointly responsibility with other organisation types).

**Figure 25: Responsibility for the implementation of the strategy**



In 60 percent of cases, strategy implementation is the responsibility of a local authority or an association of local authorities. In 20 percent of the SUD cases, the responsibilities are shared between different levels. For non-SUD ITI strategies, responsibilities are shared between different levels in 59 percent of cases (not shown in Figure 24).

More in-depth analysis of case study strategies offers further detail on the balance between MAs and UAs in strategy implementation. Based on the information in strategy fiches, Annex 7 provides a summary of responsibilities for local or regional authorities in relation to project selection, other responsibilities for local or regional authorities, and responsibilities retained by the managing authority. A basic distinction can be made between cases where MAs are dominant and delegation to the local or regional level is limited and cases where a wide range of responsibilities have been delegated to ITI IBs at the local or regional level. Key factors behind these differing approaches can also be explored.

**Limited delegation, MAs dominant.** In some cases, MAs delegated the minimum responsibilities required for implementation of the strategies, for the following reasons.

- **Concerns over capacity at local level.** For example, for the Lublin SUD, the MA chose to adopt limited delegation of responsibilities to the IB, because of the limitations in the capacities of the new ITI IB. The overall implementation process is led by the MA, although it is in regular and frequent contact with the IB, which is responsible for coordinating the cooperation among ITI partners. The IB's main task is the preparation of project proposals, which are selected through a non-competitive process. For the Liepaja SUD, the Latvian Ministry of Finance is the managing authority, responsible for the overall implementation of the OP including its ITI. The MA approves internal procedures for selecting ITI project applications by urban authorities and monitors the process through participation in a municipal commission as an observer. The urban authority submits all ITI project applications to the MA for verification.<sup>39</sup> The MA can also perform on-the-spot checks at the local level. No project applications can be approved without MA verification.
- **Where OP and SUD territorial coverage is the same.** In the case of the Brussels SUD, there is no delegation from the MA because the ERDF programme covers the urban agglomeration of Brussels and the whole programme contributes to Article 7 requirements. All the responsibilities for programme implementation are already held at the MA level, and there are no intermediate bodies at a more local level. However, local actors are involved in the monitoring of the programme through the association of municipalities in Brussels, which represents them as an observer.

**In non-SUD ITIs,** MAs usually play a dominant role where Article 7 requirements do not apply. However, it is important to note some variation in the allocation of responsibilities within non-SUD strategies.

- In some cases, MAs retain all formal responsibilities, although in practice local authorities have important inputs. In Cornwall and the Isles of Scilly, the MAs for the England ERDF and ESF OPs nominally retain responsibilities for project selection, implementation and monitoring. In practice, Cornwall Council and other bodies play a significant contributory role, with some shared functions in the development of project calls and provision of information to potential beneficiaries.
- In other non-SUD ITIs, local or regional authorities have a more prominent formal role. In the Danube regional ITI, project applicants must apply to the MA for selection and approval but an association of all the municipalities covered by the area (ADI ITI Delta Dunari), funded by technical assistance, and prioritises

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<sup>39</sup> These submissions include: a decree or decision on establishing the municipal commission for the evaluation of project applications; CVs of its members; all documentation on which the decision is based; a conclusion approved by the municipal commission on the appraisal of project applications; and conclusions on the implementation of provisions.

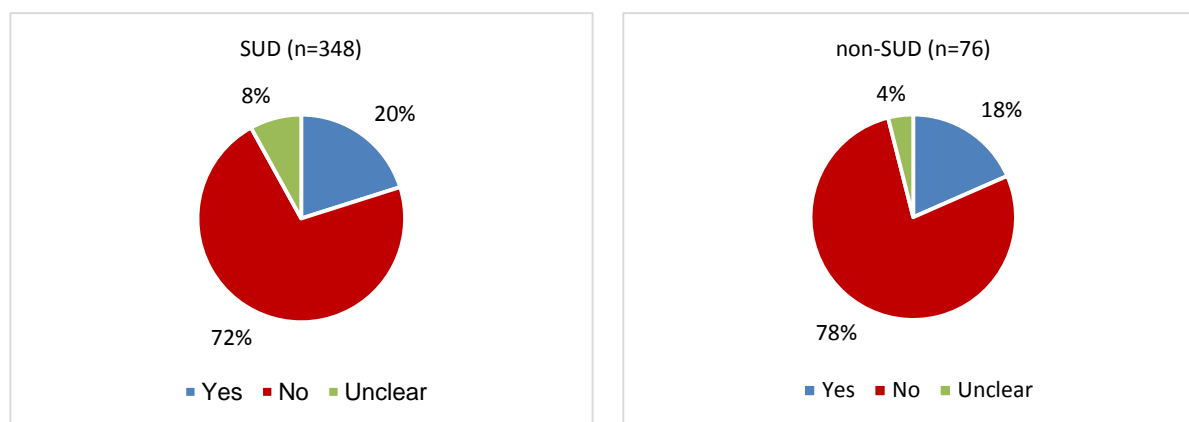
projects. In the Elblag regional ITI, an ITI Office, which is part of the City Office, has advisory and operational functions: it participates in the strategic assessment of projects, allocating 50 percentage points of the criteria for compliance with the strategy (while the MA assesses the other 50 percent of the strategic criteria and 100 percent of the formal and merit criteria). The ITI Office also recommends the schedule of project calls to the MA and conducts the monitoring of the strategy.

**Extensive delegation: UAs dominant.** Elsewhere, a wide range of governance responsibilities are delegated to the local level, applicable in the following cases.

- **Capacity or experience of implementing EU projects is strong.** In The Hague SUD, the IB consists of the city authorities, which have extensive responsibilities in terms of management and implementation. Technically, the ITI is a city programme for which The Hague is responsible as an IB. It sits alongside a regional programme for which the MA for the West Programme (Rotterdam) is responsible. The Hague has enjoyed IB status since 1994 and has extensive responsibilities for implementing the ITI strategy, going beyond project selection to include responsibilities for monitoring and financial management. A formal covenant sets out the responsibilities of the IB in terms of project animation, financial management, and monitoring, which are all largely delegated responsibilities.
- **Local or regional authorities have taken a proactive approach.** The IB for the Walbrzych Agglomeration SUD is the only one in Poland with full ITI implementation responsibilities. All other ITIs in Poland depend to varying extents on the support of regional MAs, e.g. to conduct project calls, formally and substantially assess projects, or sign contracts with beneficiaries and carry out financial control. Despite the additional challenges coming with full responsibility, it was important for the agglomeration's leader to directly manage the ITI to build local capacity and ensure local decision-making. This required extensive negotiations and efforts to apply for additional funding from the regional OP to employ enough people, train them, and build capacity to manage the implementation process.
- **The process is part of broader trends towards stronger involvement in implementation at the regional or local level.** In the Stockholm SUD, the prominent role of the urban authority (UA) is part of a broader 'Stockholm model' introduced for ESIF implementation in the 2014-20 period. This initiative includes the establishment of a mobilisation group initiative to increase the involvement of local authorities in the development and implementation of projects. Stockholm Municipality and the Association of Municipalities are represented in the mobilisation group. The mobilisation group invites a broad group of stakeholders for a pre-mobilisation meeting on the SUD priority in question. Here, key challenges within the area are discussed as well as initial project ideas to address these challenges. Once the mobilisation group assesses that the consortia and project development have progressed sufficiently, the MA in collaboration with the secretariat writes and launches the call for applications. In principle, the call is open to all applicants, but in most cases only the applications in which the mobilisation group has been involved are submitted.

## (ii) Establishment of new bodies

In most cases, existing organisations have taken on the responsibilities for strategy implementation. However, it is notable that in a fifth of the cases, new bodies were created to implement the strategies (see Figure 26). This was particularly notable in Poland and Bulgaria, where new bodies have been created in almost every case, but also in several Member States where strategies established new bodies (e.g. CY, DE, EL, ES, FI, IT FR, IT PT and SI).

**Figure 26: Have new bodies been created for the implementation of the strategies?**

In other cases, new supporting structures have been established with roles in coordination and oversight. The specific role and function of the new institutions varies. Nevertheless, it is possible to highlight some key themes/roles. The reasons for establishing new governance arrangements and institutions also vary, but with the following main objectives.

- Boost implementation capacity.** In several cases, implementation by urban and regional authorities has required organisational arrangements that increase resources for implementation. For the Katowice Central Sub-region SUD, the IB is the new Association of Municipalities and Districts and the MA is using technical assistance from the national TA OP to place ten officials in the newly established Central Sub-region ITI IB. There is less TA funding available in the ROP, and thus the MA has placed only three officials in each of the 'regional ITIs' to facilitate implementation. In the London SUD, an ESIF Working Group (EWG) has been established, responsible for the everyday 'hands-on' implementation, management and delivery of the ITI. For the Pazardzhik SUD in Bulgaria, the IB has established a management team, comprising a head, a monitoring and control expert, and an administrative secretary. Capacity-building for strategy implementation is also evident in MAs. The MA of the OP Anatoliki Makedonia-Thraki in Greece is responsible for the management and implementation of the regional ITI Egnatia-Odos with the assistance of a new, special support structure. The support structure, which is expected to be established at the regional level, is foreseen to provide policy direction and technical capacity where the managing authority cannot assume those responsibilities.
- Strengthen coordination.** The governance of SUD strategies is inevitably complex. Coordinating the input of MAs, IBs and UAs where tasks are shared is crucial. In several cases, dedicated coordinating arrangements have been established. The Finnish Six Cities SUD strategy has set up a separate (ERDF-funded) project, namely the Six Cities Strategy office. The office consists of centralised personnel as well as city-specific coordinators. The office aims to ensure that the national implementation of the strategy and cooperation is realised in line with the decisions of the strategy management group and the steering group. For the Azul regional ITI (non-SUD), a Commission for the Coordination and Monitoring of ITI has been established. It coordinates and elaborates the content of the annual reports of the different OPs as far as the aspects linked to ITI are concerned; it proposes updates of what is programmed in ITI; and it informs the monitoring committees of each OP that contributes to ITI of the progress in implementation and results.



- **Ensure representation.** A fundamental objective of the strategies is to mobilise input from a range of stakeholders, particularly at the local level. Governance arrangements have taken this into account, often through the establishment of advisory structures. In the Hague SUD, the Executive Committee for the ITI strategy is the Advisory Group The Hague, which consists of representatives from a broad range of socio-economic stakeholders, including public officials, representatives from knowledge institutions, SMEs, the chamber of commerce, employers' organisations and representatives from the MA and national government (Ministry of Economic Affairs). An important feature of the Advisory Group is that public official representatives must comprise less than 50 percent of its membership. In the Timisoara SUD, the IB will report periodically to a new 'Consultative Committee' where local authorities sit with various representatives of the economic sector, educational institutions and civil society. In practice, this gives the strategy a permanent partnership forum similar to the monitoring committee of an OP. For the Maribor SUD, the mayor is formally responsible for implementing sustainable urban strategies. A strategic council has been constituted with the task of supporting the implementation of the strategy. It consists of experts from the main stakeholder groups, such as the city administration, university, NGOs and the city council, to ensure the involvement of interest groups and communities.
- **Promote transparency and deal with potential conflicts of interest.** A specific feature of SUD implementation structures comprises arrangements to guarantee transparency and ensure that potential conflicts of interest are avoided. This is particularly the case where local or regional authorities are potentially involved as implementing bodies and beneficiaries. In the Debrecen SUD in Hungary, when the city appraises its own projects, the principle of separating functions applies. This means that within the municipal administration a functionally independent department has to be designated to undertake the assessment of project applications. For the Pazardzhik SUD in Bulgaria, care was also taken to fulfil the requirement for differentiation of the functions and responsibilities of the IB from those of the unit responsible for the preparation and development of projects under which the municipality is a specific beneficiary, so as to minimise the risk of potential conflicts of interest.

#### 4.5.2 Implementation Tasks

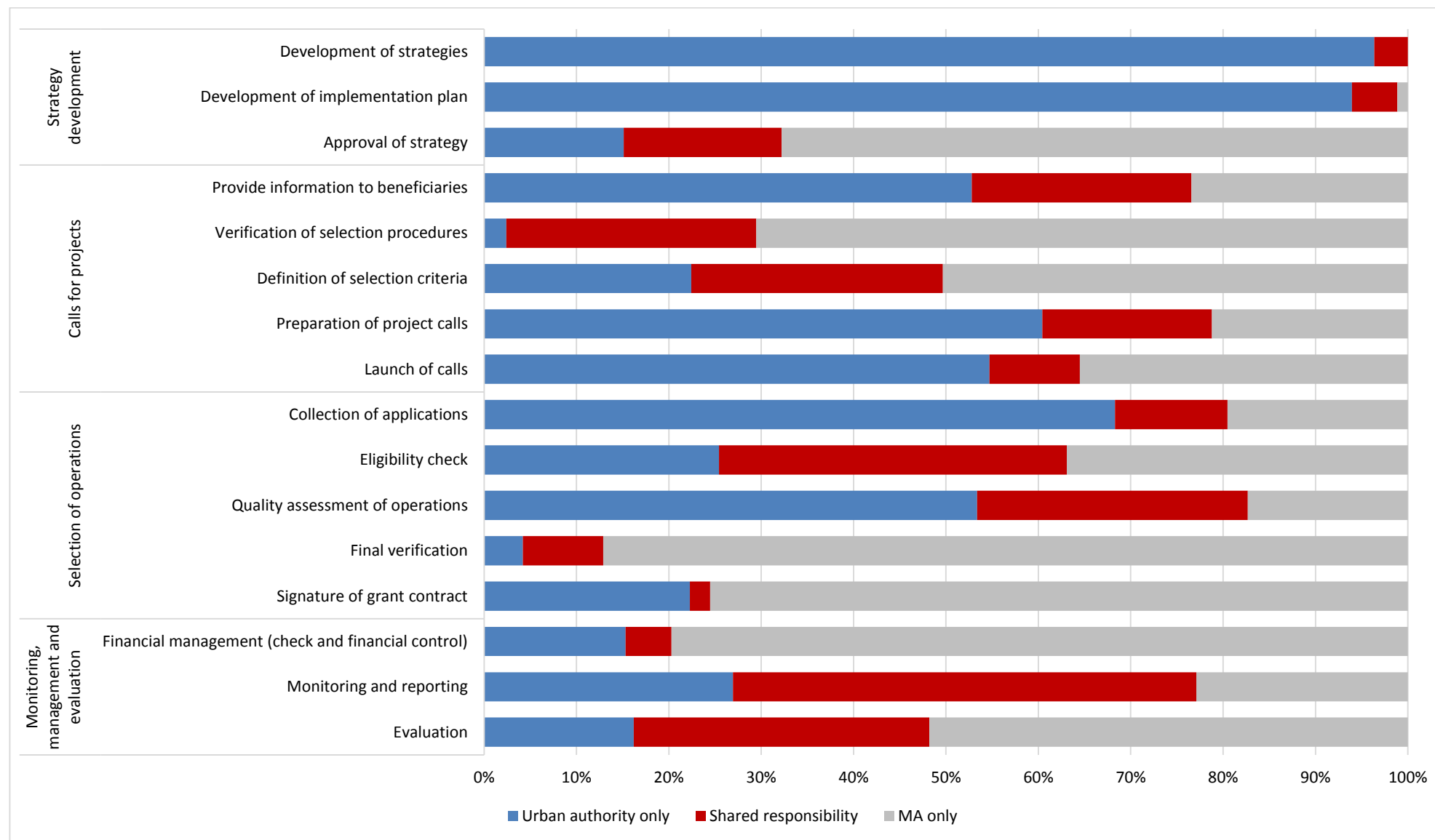
Beyond general governance frameworks, it is important to analyse the allocation of responsibilities for the management and implementation process. The process can be divided into specific stages: strategy development; calls for projects; selection of operations; and monitoring and evaluation. For each of these stages, it is possible to identify different combinations of MA and local authority inputs, for both SUD (see Figure 27) and non-SUD (see Figure 28) strategies.

The figures are divided into four sub-sections related to the programme cycle. The blue bars show the relative proportion of instances when this element of strategy is judged to be a responsibility of the urban/regional authority only; green indicates the proportion of times that the responsibility is judged to be that of the MA on its own; and red indicates when those responsibilities are shared.

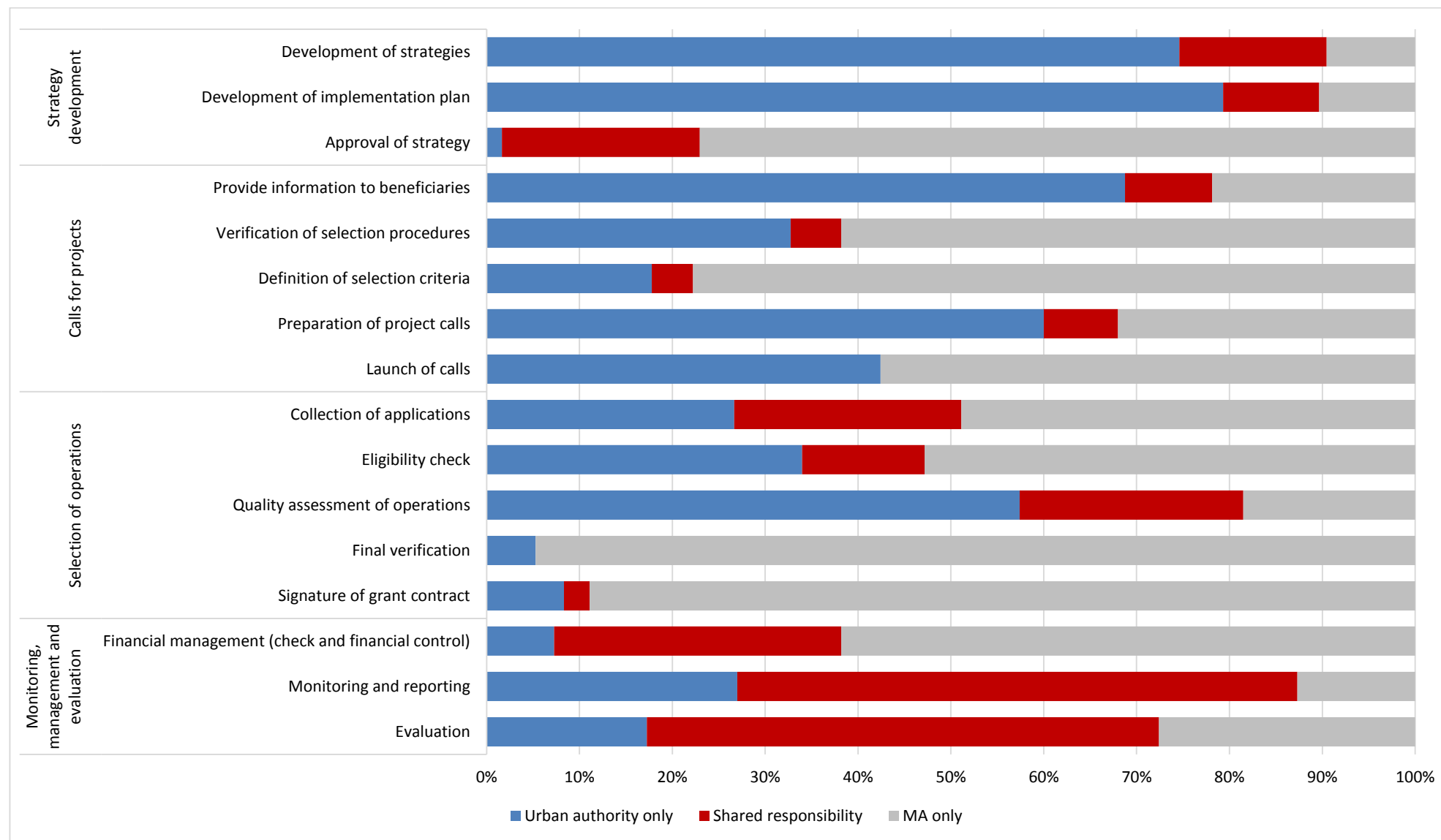
The graphs show that urban/regional authorities play an important role in terms of developing the strategies, preparing project calls and mobilising and supporting beneficiaries, monitoring and reporting, defining selection criteria, providing information to beneficiaries, and assessing the quality of operations. However, some tasks clearly remain a responsibility for MAs (e.g. approval of strategies, verification of selection procedures, eligibility checks, final verification, signature of grant contracts, and evaluation). Furthermore, for several tasks including quality assessment of operations and monitoring and reporting, the responsibilities are often shared between the MA and the urban and regional authorities.

There are also some clear differences in the balance of responsibilities at different stages between SUD and non-SUD strategies. Generally, the MA has a greater role in the implementation and management of non-SUD ITI strategies. For instance, the role of the MA in the quality assessment of project proposals and the definition of selection criteria is more prominent in the case of non-SUD strategies.

**Figure 27: Roles of sub-regional authorities and managing authorities (SUD) (n=306)**



**Figure 28: Roles of sub-regional authorities and managing authorities (non-SUD ITI) (n=64)**



### (i) Design of strategies

In almost all cases (see Figure 29), **the local authority or an association of local authorities was identified as having responsibility for the preparation of the SUD strategy.**

In 83 percent of cases, the local authority or an association of local authorities had sole responsibility for the preparation of the strategy, and in the remaining cases it was responsible together with national and/or regional authorities. The national level was jointly responsible for the development of some SUD strategies, predominantly in France (10 cases), but also in a small number of strategies in the Czech Republic, Portugal and Romania. In France, the national authority is involved in those strategies that are strongly linked to the domestic instrument for urban policy.<sup>40</sup> There is variation because regions have made varying choices in terms of the extent to which they want to articulate linkages between SUD and domestic urban policy. In Malta, the national level was solely responsible for preparing the strategy.

In six percent of cases, regional bodies had co-responsibilities for the development of SUD strategies (AT, BE, EL, ES, FR, IE, PL, SE, SK, UK). Regional bodies had sole responsibilities for strategy development if the urban authority is large and acts as a regional body (e.g. Vienna, Brussels, London, Stockholm). For 22 percent of the SUD strategies, associations of local authorities had some responsibility for development. In most cases, this involved strategies that were implemented in a FUA (68 percent). NGOs were responsible for the preparation of strategies in a very small number of cases (one percent). 'Other bodies' (four percent) usually refers to governmental agencies with specific responsibilities in relation to urban development, but also to universities and other government agencies.

For non-SUD ITI strategies, local authorities or associations of local authorities were responsible in 74 percent of cases for the development of the strategy (in some cases, both were involved). However, sole responsibility for development at the local level was much lower (38 percent) compared to SUD strategies. National and regional bodies had a greater involvement in the preparation of these strategies, partly because non-SUD ITI strategies tend to be implemented more often at the regional level but also because they are not bound by the Article 7 requirements. Other bodies responsible for the preparation of a significant number of strategies tend to be government agencies responsible for tourism, natural resources, economic development, etc.

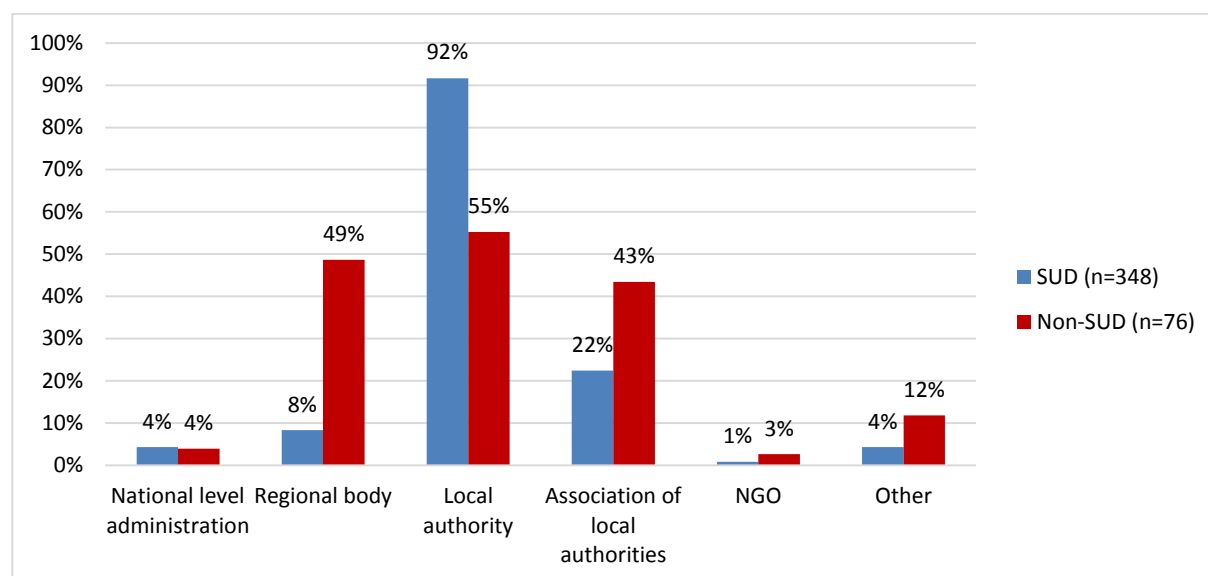
The strategy fiches show that there are clear differences in terms of responsibilities for drafting. In some cases, external bodies are used to draft strategies. The decision to employ external bodies often relates to variation in terms of capacity and resources but also to the existence of pre-existing strategies. Thus, in cases where the approach is heavily based on pre-existing domestic strategy (see section 4.4.2), the drafting of a strategy document in the context of Cohesion policy is a relatively minor task that can be completed internally (e.g. Finland, The Hague, Berlin, Cornwall and the Isles of Scilly, Vejle, Vienna). There are some exceptions to this pattern (Patras and Zagreb). However, in cases where there is no previous integrated strategy and capacity and resources are limited, external bodies are often contracted to assist the development work, e.g. consultants (Tartu, Brno, Brussels, Chomutov, Elblag, Pazardzhik, Plovdiv, Porto, Tatabanya, Nitra), the World Bank (Ploiesti, Danube), academics (Maribor, Timisoara, Limburg, Prague, Walbrzych), and non-profit local development companies (Debrecen,

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<sup>40</sup> In France, some authorities decided that SUD would only co-fund projects also funded under the *contrat de ville*; some decided that part of SUD credits would be reserved for projects funded by the *contrat de ville*; and others decided that there would be no automatic matching between the two instruments, i.e. it might happen in practice, but it is not a strategic requirement.

Pecs). Furthermore, in some cases training programmes were organised for developing ITI strategies (e.g. Lille).

**Figure 29: Responsibilities for preparation of the strategies**



## (ii) Project generation and selection

Processes of project generation and selection for SUD and non-SUD ITI strategies typically follow the stages associated with 'mainstream' ESIF applications. A review of the case study strategies reveals some general features in the governance of these processes (see Figure 30).





The tasks of mobilising applicants, supporting project development and managing project submission are generally delegated to the local authority level. In most cases, local authorities are responsible for organising project calls and providing information and support to beneficiaries in the development and submission of applications.

**In terms of project appraisal, responsibilities are mainly shared between urban/regional authorities and managing authorities (or OP intermediate bodies, where appropriate) depending on the type of criteria being applied.**

Urban/regional authorities are tasked with appraising applications according to their coherence or 'fit' with ITI strategies. Programme MAs or IBs often apply criteria related to coherence with the OP, compliance with regulations and issues such as cost-efficiency. For project appraisal in terms of quality and anticipated impact, responsibilities tend to be shared, with UAs assessing against criteria targeting specific issues in the territory targeted and MAs focusing on impacts in terms of broader programme priorities and associated sectors.

**There are different approaches to the application of criteria during appraisal.** In several cases (e.g. Debrecen SUD), UAs make an initial selection based on the degree of coherence with the ITI strategy and submit a prioritised list or ranking of projects for the MA to consider according to coherence with the OP and compliance with regulations. In addition to developing a ranking of projects, in several cases a differentiated weighting system is applied during project appraisal. In the case of Katowice, assessment of project quality is shared between the MA and the UA: the first part relates to the coherence between the project and the ITI strategy, and this is assessed by the UA; the second part deals with specific issues related to a particular theme (e.g. energy efficiency), and they are assessed by an expert appointed by the MA. Each part has 50 percent weighting.

**Figure 30: Project selection and generation tasks SUD strategies**

Governance stage	Specific tasks	Responsibility
<b>Project generation</b>  	Mobilising applicants	Usually delegated to UA
	Supporting project development	
	Managing project submission	
<b>Managing project appraisal</b>  	Initial appraisal of formal and legal requirements	MA usually retains responsibility
	More detailed appraisal	Usually delegated to UA
	Making recommendations	
<b>Managing project selection</b>  	Strategic fit	UA task
	Project quality, anticipated impact	UA/MA share responsibilities e.g. UA for impacts on territory and MA for impacts under specific OP priorities or sectors
	Efficiency-related aspects	MA, e.g. cost-effectiveness
<b>Application of selection criteria</b>  	Ranking of projects	UA task
	Weighting of different criteria	UA task
<b>Final approval</b>		Usually MA task

Beyond this general picture, it should be noted that governance arrangements for project generation and appraisal vary, even within Member States, depending on SUD/non-SUD status, the use of different ESI funds, the contribution of different OPs, and capacity and coordination challenges.

- **Variation between SUD and non-SUD strategies.** It is important to note differences in governance approaches for project generation and selection in SUD and non-SUD cases. Generally, in non-SUD cases where Article 7 regulations do not apply, regional authorities play a less prominent role in the process. For instance, in Cornwall's regional ITI, the MA has all responsibilities, although in practice the county council has some functions such as development of calls, mobilising beneficiaries, etc. In the Danube regional ITI, the regional authority prioritises projects, but applicants must apply to the MA for selection and approval.
- **Variation between ERDF and ESF.** The governance of project selection can also vary across ESI funds. For ERDF, UAs usually have a prominent role in selection, while for ESF there are cases where the MA or programme IB has full responsibility. In several cases (e.g. Brno SUD, Chomutov SUD), the local authority assesses the coherence of projects with the ITI strategy and formal

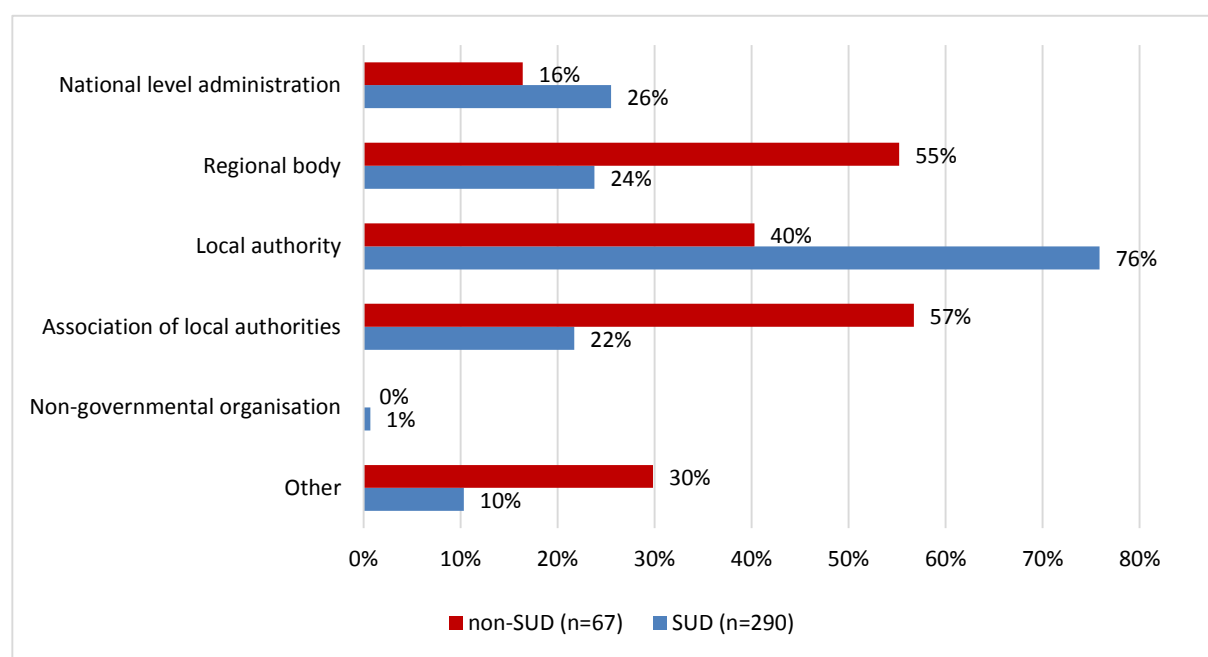
compliance, and it has a share in quality assessment for ERDF, while ESF and CF proposals are appraised directly by the OP MA or IB.

- **Variation where different OPs contribute to the strategy.** It should also be noted that project selection processes are differentiated when different OPs contribute to the strategy. For instance, the Prague SUD is funded through the Integrated Regional Operational Programme (IROP), the Operational Programme Prague Growth Pole (OP PGP) and the Operational Programme Environment (POE). In the case of the IROP projects (ERDF), the ITI IB, IROP IB and MA are involved in the selection process. With regard to the OP PGP projects (funded through ERDF) and the POE projects (funded through CF), the relevant MA manages the entire selection process.

#### 4.5.3 Monitoring and evaluation

Governance arrangements for monitoring and evaluating the progress of integrated place-based strategies vary considerably. As Figure 31 shows, different levels and organisations can be involved. In the case of SUD strategies, local authorities often have a significant role, often dependent on the involvement of the MA. In terms of evaluation responsibilities, there is a similarly varied pattern, but the national and regional levels often have a greater role both for SUD and non-SUD ITI strategies.

**Figure 31: Responsibilities for strategy monitoring**



For some cases, it is possible to make a broad **distinction between the tasks of data collection, monitoring and reporting that are carried out by IBs, and evaluation, which is the responsibility of programme authorities at regional or national levels.**

- In Lublin SUD, monitoring of the strategy will be conducted by the IB. It will take the form of data collection, but also monitoring visits to municipalities regarding particular projects. ITI evaluation will be coordinated by the regional OP MA. As part of this, the IB will report necessary information to the MA.
- Similarly, in Torino SUD monitoring is delegated to the IBs but in a framework of integration with the NOP-wide Management and Information System with regard to financial information (allowing the MA to obtain the necessary information to approve the payment declarations received from the IBs). The responsibility for evaluation lies with the MA. The choices that will be made with regard to



evaluation questions and foci will nevertheless be made in dialogue with the 14 cities (IBs), through a network of evaluation-responsible officials whose operation is funded by the OP's TA.

However, there are exceptions. **In some cases, UAs are responsible for both monitoring and evaluation.**

- In the Cascais SUD in Portugal, the municipal executive is responsible for the global coordination of the strategy, and its support structure collects and analyses the output and result targets and elaborates monitoring and evaluation reports. The municipal Department of Strategic Planning has a specific division with competences dedicated to monitoring and evaluation – the Environmental and Territorial Assessment and Monitoring Unit. Although this division existed previously, a new team is specifically dedicated to monitoring and evaluating the SUD.

**As mentioned, approaches to the governance of evaluation vary, depending on the scope of the evaluations**

- Where evaluation plans are included in strategies, **there are several cases where MAs are responsible for the process**, particularly where evaluations of OPs incorporate assessments of the strategies, for instance under thematic assessments of urban development or evaluations of OP priorities that cover the strategies (e.g. Nicosia SUD).
- **In other instances, UAs are more involved in evaluation.** This is the case where arrangements have been made for dedicated evaluations of the strategies.
  - For example, in the Katowice SUD, both the IB and the MA are planning to carry out evaluations. Evaluation and monitoring of the strategy are the responsibility of the IB, and they report to the MA. The IB is planning to organise its own evaluation of ITI in 2018 or 2019. The MA is also planning a major evaluation of the use of strategies – both SUD and Regional ITI – in the regional OP over the next 18 months, reflecting the importance of the integrated place-based approaches in the programme.
  - In the Lille SUD, the strategy will not be evaluated as part of the OP but through the evaluation of the city contract, which is mandatory under France's domestic urban law. The urban authority is contemplating conducting qualitative evaluations on certain dimensions of the ITI, such as its impact and its added value on the city contract.

#### 4.6 Approaches to Measurement

The issue of measuring the effectiveness of territorial provisions is discussed and analysed in the report, 'Methodology for Measuring the Effectiveness of Territorial Provisions'.<sup>41</sup> The report highlights the **specific challenges involved in measuring the effectiveness of integrated place-based strategies.**

- **The strategies are embedded in multiple, more dominant and complex interwoven determinants of economic growth.**
- The **relevance and comparability of existing indicators must be carefully considered**: Can the effectiveness of integrated place-based approaches be measured by the standard programme indicators, or does the integration of different operations in a territory produce additional outcomes that must be

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<sup>41</sup> Ferry, McMaster and van der Zwet (2017) *op. cit.*

captured? How can the softer 'added value' objective of these initiatives be assessed, e.g. how can contributions to strengthening human and social capital be measured?

- **The authorities implementing strategies face operational challenges as they establish monitoring and evaluation arrangements** that must take into account Cohesion policy regulations, programme structures and the institutional competences of the authorities involved.
  - **The multi-fund approach was found to affect the ability to measure the contribution of ITI provisions.** In particular, ESF has its own governance and measurement framework, which can be difficult to integrate with ERDF systems. For the purposes of monitoring, results are often put into 'pigeonholes' in a central monitoring system and, as a result, integrated effects may be lost.
  - **The competence of authorities and their capacity to set indicators can be an issue.** For example, in some cases pressure from external authorities to adopt indicators leads to the adoption of indicators that were ill-suited to the strategy or the information needs of more local authorities.

#### *4.6.1 Approaches to monitoring*

**A common approach is for strategy-monitoring to take place as part of the broader OP system**, albeit with the involvement of SUD or non-SUD bodies in carrying it out. Thus, implementing authorities apply programme systems to monitor project progress against selected programme indicators and targets.

- For instance, for the Tartu SUD, projects selected by the local urban authorities include specific quantitative outcomes for each project. The results of these projects are fed into the monitoring system of the OP priority axis.

**Most strategies also have arrangements for monitoring the progress of the strategy as a whole.** These are often shared between the body implementing the strategy and broader programme authorities.

- In the Finnish Six Cities SUD, the management group and the IB are together responsible for monitoring the strategy. Meetings are organised every six months to discuss the progress of funding and other indicator data.
- The Kaunas City Municipal Administration is responsible for strategy monitoring, and the overall process is overseen by the Ministry of the Interior.

**Regional and urban authorities are developing monitoring arrangements to ensure that the progress of the strategy can be assessed not just in terms of the contribution to programme targets, but in relation to the territory covered.**

In some instances, this has included the **establishment of new monitoring structures or capacities.**

- For the Timisoara SUD, local authorities can choose to set up an autonomous monitoring system beyond those in place for Cohesion policy. The strategy sets out indicators, which are developed not just to be in line with the relevant OP, but also to measure results and impacts at the territorial level. This system is being completely managed at local level and is independent from the monitoring of the funding OP.
- In Vienna, considerable emphasis is placed on monitoring the strategy's implementation progress. The Article 7 element will be monitored in the context of the ERDF OP monitoring. However, in addition, a scoping project 'SMART.MONITOR' was carried out between September 2015 and October 2016.

The project was funded by the Austrian Ministry for Transport, Innovation and Technology and involved external partners experienced in monitoring. The final report published in October 2016 provided recommendations for the development of the monitoring process in practice.

In some cases, the **progress of the strategy is monitored through the systems in place for the overarching domestic strategies** to which they contribute. This occurs in cases where the integrated place-based strategy is based on a pre-existing strategy

- In the Lille SUD strategy, results will be measured in terms of their contribution to the city contract, not as part of the OP. Monitoring and evaluation (through indicators) will be based on relevant ERDF IPs applied to the ITI. However, impact evaluations are planned and are expected to focus on the impact of the ITI on the city contract, and its added value (in other words, the leverage effect of ERDF).

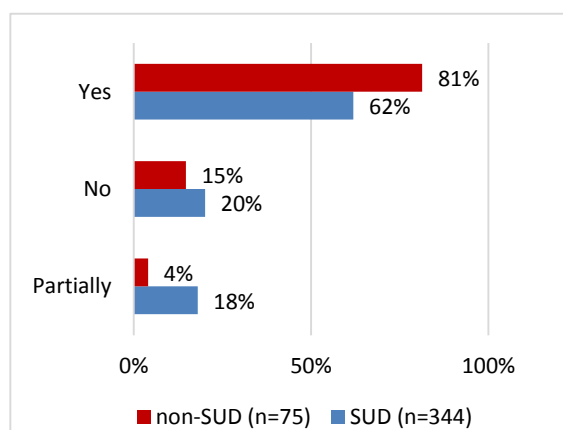
Even where strategies are not nested in a wider domestic framework and are considered new, in some cases, there are plans to **draw on broader monitoring systems to assess progress** within the specific territorial context.

- For the Cornwall and the Isles of Scilly regional ITI, an ITI Board has been established, comprising local partners and representatives from the voluntary, public and private sectors. The ITI Board is also responsible for project monitoring (as the Operational Programme Board does not oversee individual projects unless they are of significant size). Monitoring outputs and impact of the ITI will also be achieved through the use of Cornwall Council's broader economic and social indicator data, such as GVA data, which – it is anticipated – will help to better understand the effectiveness and added value of the ITI as its delivery progresses.

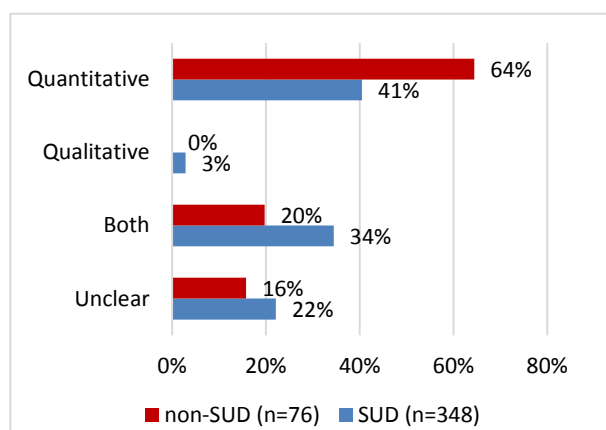
#### 4.6.2 Indicator systems

**In assessing approaches to measuring the effectiveness of these strategies, a fundamental question concerns the clarity of the result indicators that they include.** The majority of strategies contain clearly defined results (see Figure 32). There are a smaller number of cases where results are not defined explicitly in the strategy document or are only partially clear. In some of these latter cases, the strategies were still in draft form at the time of the research. In other instances, although separate result indicators in the drafted summary documents are not defined explicitly, the strategies are integral parts of overarching/pre-existing strategies and have implicit links to the indicators of these frameworks.

**Figure 32: Clearly defined results?**



**Figure 33: Type of indicators**



**The indicator sets of OPs provide a basic source for defining and clarifying indicators for measuring the effectiveness of strategies.** Of course, all strategies with EU funding must report progress against indicators in the source OPs. However, the relationship between OP and strategy indicators varies, depending on their size, content and implementation arrangements.

As has been noted, **many strategies base their indicator sets entirely on OP indicators. In effect, monitoring of the strategy is integral to the monitoring of the OP.** This is the case, for instance, where local authorities covered by the strategy were active in setting indicators for the OP and where the aim was to minimise the number of indicators involved.

- For the Nordhausen SUD, the output and result indicators of the ERDF OP will be the main indicators used to assess the effectiveness of interventions implemented under the strategy. The selection of the indicators included in the OP was a consultative process, also involving the municipalities, which aimed to identify a small number of workable and effective indicators. Experience from the previous programme period showed that the inclusion of a large number of indicators resulted in the process becoming unworkable and not necessarily accurate in assessing effectiveness.

**On the other hand, there are cases where additional, strategy-specific indicators are added to OP indicators.**

- In the Katowice (Central Sub-region) SUD, monitoring and evaluation are based on broader arrangements for the regional OP. However, there are also specific ITI-related 'strategic' indicators, linked to each priority and measure and aiming to measure effectiveness in the specific territory covered by the ITI (e.g. percentage of the population covered by ITI). This has produced a large indicator set.
- This is also evident where the strategy is funded through ESIF but is also embedded in a domestic strategy that has its own monitoring and measuring system in place. This occurs in the Limburg regional ITI, for example, where ESIF contributes to a regional SALK strategy, or in some French cases, where the ESIF allocations are contributing to the implementation of domestic urban policy.

Based on an analysis of the strategy database and case studies, quantitative indicators are clearly at the core of the approaches used (see Figure 33). For some strategies, only quantitative indicators are used. In others, qualitative indicators were found to be a valuable complement to existing quantitative indicators. Examples of indicators that are commonly used are set out below (Box 4).

Indicator numbers are commonly kept to a minimum, in order to reduce administrative burdens and complexity (e.g. The Hague). The role and focus of indicators is also heavily determined by the scale of the strategy interventions. However, as will be highlighted, in order to capture the specificities and targeted results of strategies in some cases a wider range of indicator types is applied.

#### Box 4: Examples of widely used indicators

- area accessible from TEN-T in 45 minutes (Brno)
- length of road (Cascais)
- share of public transport within total passenger transport (Brno)
- area of regenerated open spaces and regenerated public buildings (Aurillac, Cascais)
- vacancy rate within city centres (Aurillac)
- population living in areas with integrated urban development strategies (Cork)
- levels of satisfaction of residents living in areas covered (Cascais)
- increase in population (Kaunas)
- increased new business registrations per 1,000 inhabitants (Kaunas)
- increased household incomes (Kaunas)
- reduced air pollution (Kaunas)
- improvement in the social, economic and physical conditions in selected urban centres, based on an urban development index (Cork)
- increased non-private-car commuting levels in the designated urban centres (Cork)
- evolution of inhabitants' perception of the enhancement of their environment (CFC pole)

##### (i) Common OP quantitative indicators

As discussed above, strategy monitoring systems are strongly linked to OP systems (CFC pole, Elblag, Nicosia, Six Cities). Therefore, the **relevant quantitative OP indicators are also applied to the strategies**, some of which are urban-specific, e.g. 'businesses cooperating with cities in an innovation environment' and 'innovation platforms' (Six Cities).

In many cases, adaptations are made to reflect the scope and scale of the strategies. For example, in Pécs the indicators and milestones defined in the Operational Programme were broken down and determined, proportionate to the funding for each city.

The fact that strategies have adopted OP indicators does not necessarily mean that setting the indicators has been a one-way process of strategies 'taking on' OP indicators. In Cornwall and the Isles of Scilly, for example, setting ERDF and ESF targets was said to be a two-way process, because specific targets for C&IoS were agreed with the central government authorities based upon a pre-established local evidence base.

##### (ii) Strategy-specific quantitative indicators

Complementing OP indicators and in order to better capture the specific aspects of the strategies, **core quantitative indicators are supplemented by additional measures in many cases**, which can be:

- developed locally (Aurillac) to capture more localised impacts/the specific territory of the strategy (Katowice) or reflect local authority competencies (CFC pole);

- developed to include more specific thematic elements (Cascais);
- developed to capture longer-term impacts (Brno); and
- based on existing strategies and systems, e.g. the Brno City strategy, using a system of over 80 indicators for more than five years (Brno), or adaptation of a system of indicators developed for the city (Malaga).

(iii) Qualitative indicators

**The development of qualitative indicators is a prominent feature** of many monitoring systems:

- 'softer' areas of intervention (e.g. social and human capital) will involve special surveys and research questionnaires already used for the City Strategy (Brno); and
- intangible results (e.g. levels of satisfaction of residents living in areas covered by the SUD strategy) (Cascais, Porto).

In some cases, although no specific qualitative indicators are used, reporting systems can allow more qualitative assessments to be reflected. For example, an annual progress report takes account of reporting data, as well as a qualitative assessment of interventions (Azul). In others, although no qualitative indicators have been set, they may be introduced in future; under the Patras strategy, municipal officials are examining ways of using technical assistance for communication actions to measure public opinion on SUD interventions and receive feedback.

#### 4.6.3 Evaluation

**There are many cases where no details of evaluation approaches are provided in the strategies.** Only 36 percent of the reviewed SUD and eight percent of non-SUD ITI strategies assessed provided evaluation plans. This may be due to SUD and non-SUD strategies being evaluated as part of the OP evaluation and, therefore, the strategy document makes no reference to 'distinct' evaluation plans. It may also be the case that evaluation takes place as part of an overarching domestic strategy, and the SUD strategy in relation to the implementation of ESIF is not evaluated separately. In some cases, no evaluation is planned, or assessments will be conducted on an *ad-hoc* basis. Where plans are in place, the following points are worth noting.

**Evaluation usually takes place as part of overall programme evaluation** (see Figure 32). Although there are no specific evaluations for the strategy, the assumption is that the strategy is an integral part of the OP, so that assessments of programme effectiveness will automatically cover the performance of the strategy. In some cases, the strategy will be **assessed as part of OP evaluations, based on a specific thematic objective or priority axis** that is directly related to the strategy:

- The Aurillac (SUD) strategy will be evaluated as part of the evaluation of the urban axis of the OP by the MA. This theory-based impact evaluation is expected to start in 2019 and last for ten months, and it will evaluate the impact and the efficiency of urban integrated strategies on urban sprawl, as well as on the development of networks of local actors and coordination between funds allocated to urban development.

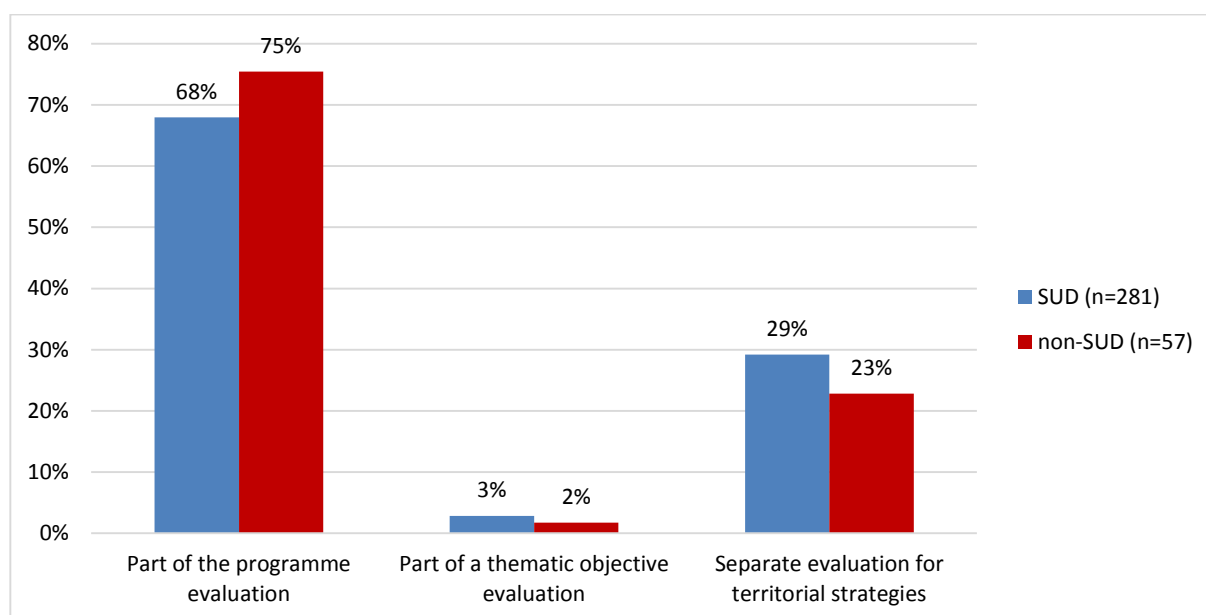
**In a significant number of cases, the strategies will be subject to specific evaluations in parallel with OP evaluation** (see Figure 32).

- For Cascais (SUD), the strategy will be subject to a mid-term evaluation in 2019, seeking to identify possible execution deviations from the programmed targets and results, and the main implementation challenges and adjustment needs. A final evaluation will focus on the contribution of results to the strategic objectives

and on the formulation of recommendations to inform future interventions. Furthermore, the Lisbon OP Evaluation Plan will also take the strategy into account. All urban development strategies will be subject to the 'Evaluation of the Impact of Public (ESIF co-financed) Urban Regeneration and Revitalisation Policies', among other things evaluating first achievements of new SUD provisions.

- The operations contributing to the Azul regional ITI (non-SUD) will be evaluated within each of the contributing regional OPs. Regional authorities include a specific section devoted to ITI in each annual implementation report for each OP. A specific evaluation of the ITI Azul will also be carried out at the central level in 2020 by the DG for EU Funds, which is the managing authority of all ERDF OPs 2014-20 in Portugal.

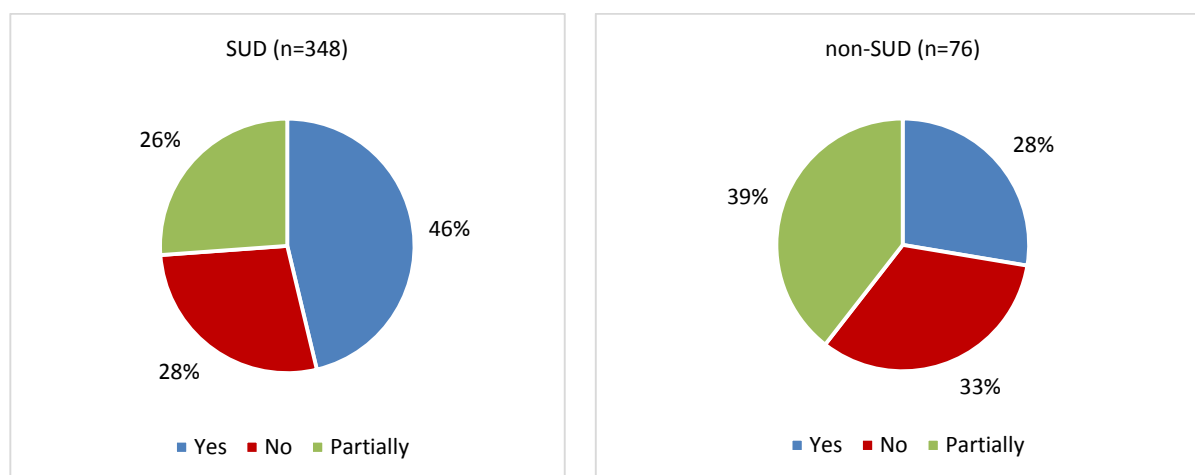
**Figure 34: How will evaluation be conducted?**



## 4.7 Financial allocations

Half of the SUD and 29 percent of non-SUD ITI strategies have a detailed financial plan (Figure 35). In 27 percent (SUD) and 40 percent (non-SUD) of cases, there is partial information available. However, in a quarter and 31 percent of cases respectively, no financial information is available within the strategy documents that were collected. The limited financial information available for a high number of strategies limits the opportunity for extensive analysis, particularly as the absence of such data is concentrated in specific Member States. A further challenge is that the type of information or the way in which it is recorded is also very diverse.



**Figure 35: Is there a detailed funding scheme included in the strategy?**

The average total budget available for SUD strategies differs considerably (Table 3). Financial allocations are not always clearly indicated in strategy documents – around a quarter of mapped strategies provided no information in relation to total funding. This is particularly the case in Belgium, Germany, France, Croatia, Ireland, Romania and Slovenia. The level of ESI funding is obviously dependent on the total allocation of Cohesion policy funding in a Member State, but also on the extent to which the funding is being dispersed over cities. For example, in Poland, the Czech Republic and the UK, funding has largely been targeted on major cities, whereas in Germany, France, Bulgaria, Spain and Italy – all countries that in real terms receive substantial Cohesion policy funding – allocations have been dispersed over many more cities (see Section 6).

Moreover, the strategies differ in terms of how much they rely on ESIF funding. The documents are not always clear regarding the extent to which ESI funding is integrated with domestic funding schemes; nevertheless, there are some notable differences. In most Eastern European Member States the strategies are very reliant on ESI funding. For example, in Poland strategies are allocated domestic funds to the extent of the co-financing obligations. Slovenia, and in particular the strategy for Ljubljana, represents an extreme case in terms of the extent that it relies on domestic resources. However, the Ljubljana strategy is very wide in scope and takes a long-term perspective. Furthermore, funding allocations are linked to other parts of the strategy (housing, education, etc.) that are not directly supported by ESI funding. In France, many strategies are integrated into the national urban policy and as such enjoy significant domestic contributions.

In most cases, non-SUD ITI strategies receive the largest part of funding from ESIF. Also in these cases, funding allocations are not always available for all strategies (BE, DE, ES, FR, PT, UK). The Danube strategy in Romania has a particularly large budget, and the non-SUD ITI strategies in Spain and the UK have substantial budgets (Table 4). Portugal and Slovakia's budgets are smaller but on average around €100 million. In Belgium, Greece, France, Germany, Italy, Lithuania and Poland, where non-SUD ITI strategies target small areas or regions with low population density, the average budget per strategy is limited. Non-SUD ITI strategies tend to have a larger proportion allocated through domestic funding streams.



**Table 3: Average total budget / ESI funds budget for SUD strategies (in € mill)**

	Average total budget planned for the implementation of the strategy	Average planned financial contribution from the ESI funds
Austria	Not available	19.7
Belgium	157.8*	19.3
Bulgaria	24.2	19.9
Croatia	548.8*	257.3*
Cyprus	77.2	45.7
Czech Republic	211.2	155.6
Denmark	8.7	4.8
Estonia	19.0	18.8
Finland	Not available	39.5***
France	87.4	12.2*
Germany	35.5*	11.8*
Greece	35.9	30.3
Hungary	61.4	52.2
Ireland	Not available	2.2*
Italy	30.0	27.3**
Latvia	34.3	28.0
Lithuania	148.2	113.3
Luxembourg	Not available	1.2
Malta	24.0	19.2
Netherlands	35.5	17.6
Poland	265.5	211.4
Portugal	19.0	10.2
Romania	29.2*	33.1
Slovakia	58.4	48.9
Slovenia	435.9*	11.2
Spain	19.8	10.8*
Sweden	32.8	16.4
UK	518.9	259.4

\* Not all strategies include funding allocations.

\*\* In Italy, NOP-funded strategies (Reggio di Calabria, Napoli, Roma, Genova, Milano, Torino, Cagliari, Palermo, Venezia, Catania, Messina) can also receive ROP allocations. However, from the available documentation, only the NOP figures could be discerned. Therefore, the overall average ESIF allocation is likely to be higher. In the case of Bologna, only the ROP strategy has been mapped.

\*\*\* Additional ESF funding can be allocated on a project-by-project basis.

**Table 4: Average total budget / ESI fund budget for non-SUD strategies (in € millions)**

	Average total budget planned for the implementation of the strategy	Average planned financial contribution from the ESI funds
Belgium	Not available	35.1
France	28.0*	6.4*
Germany	16.4*	7.5*
Greece	54.2	48.5
Italy	29.6	23.9
Lithuania	28.2	22.2
Poland	23.2	16.6
Portugal	125.2*	45.3
Romania	1,111.7	1,111.7
Slovakia	109.1	103.5
Spain	350.6*	314.4
UK	Not available	603.7

\* Not all strategies include funding allocations.

#### 4.7.1 Multi-fund approaches

Most ESI funding for SUD strategies and non-SUD ITI strategies is provided by the ERDF (Figure 36). However, many strategies draw resources from multiple ESI funds. 40 percent of SUD strategies are multi-fund, nine percent draw from three funds or more. Over a third of the SUD strategies include ESF funding. This can involve strategies that are implemented by priority axis and OPs that are multi-fund or ITI strategies that draw from multiple OPs. ITI strategies are, however, much more likely to be multi-fund (see Section 6.2). In the case of non-SUD ITI strategies, the findings demonstrate that one of the main advantages of this approach is the combination of funding from multiple funding streams; in 62 percent of the strategies have allocations from two funds, and 35 percent of the strategies have allocations from more than two funds.

In almost all cases, ERDF represents the major funding component of the strategy. The London ITI is an exception to this rule, with most of the funding coming from ESF (27–73 ratio). Also, in cases of multi-fund OPs, SUD can be implemented using a combination of funds as part of a priority axis or Operational Programme mechanism. In some cases, special arrangements apply in relation to the ESF funding element. For example, the C&IoS ITI will make use of 'opt-in' organisations to implement ESF-funded elements of the strategy.

The ability to combine ERDF and ESF funding as well as funding from multiple OPs is seen as one of the main benefits of the ITI approach. Of those strategies for which multiple OPs are identified as a funding source, the majority (87 percent) are linked to strategies that are implemented by ITI (SUD and non-SUD). Some strategies that are implemented by OP or PrAxis may also draw from multiple OPs.

The combination of different funds under a multi-fund approach enables a more complex set of integrated projects (Prague). However, the strategy fiches do not include any cases in which the integration of funds at the project level is explicitly mentioned, and it seems reasonable to assume that in practice most multi-funded strategies will not achieve integration at the project level. In some cases, strategy fiches explicitly state that there will be no integration of funds at the project level (Elblag, Lublin, Six Cities, Katowice, Limburg, Prague, Tatabanya, London, The Hague, Walbrzych).

There are several reasons for non-integration of funds at the project level. First, management of the funds is often carried out by different institutions which have different cultures and this can cause barriers. Second, different monitoring and indicator

systems are barriers. Third, different funds have historically targeted different stakeholder groups that are difficult to integrate. Fourth, differences in the regulatory framework and guidance can limit integration of funds. In some instances, the logic of the separate funding streams is considered so different that they are difficult to integrate.

The ability to integrate funding streams, at least at the strategic level, is regarded as good practice and a first step towards integration at project level (e.g. Maribor, Pazardzhik, Plovdiv and The Hague). For example, The Hague notes that it is too early to fully understand how effective this approach is, but it does encourage policy-makers and project stakeholders to at least think in a more integrated way. The integration at the level of the ITI is considered a first step towards further integration at the project level. On the other hand, the inability to achieve integration at the project level is one potential explanation as to why few strategies use ITI as an implementation mechanism. The integration of funds at the strategic level may not be regarded as a sufficient incentive to use the ITI tool.

The strategy fiches highlight a number of challenges in relation to the multi-fund approach:

- coordination challenges between funds (Brno);
- limited operational integration (Chomutov, Danube, Brno);
- use of separate implementation systems (Limburg, Six Cities); and
- different administrative cultures in terms of implementing funds (The Hague).

The strategy fiches highlight that, in some cases, a multi-fund approach was considered to be unachievable due to high levels of complexity and associated risks (Maribor) or diverse approaches (Brussels). However, in these cases mechanisms have been put in place that aim to achieve synergies between funds, meaning that ESF projects effectively contribute to the implementation of the strategy but are not formally allocated as such. Box 5 provides an example of such an approach in Brussels. Other examples of such approaches can be found in Lille and Six Cities, as well as in some of the Portuguese strategies (Cascais and Porto). In the case of the Azul strategy, ETC funding can be used in this manner.

#### **Box 5: ERDF and ESF synergies in Brussels**

The implementation of the sustainable urban development strategy in Brussels does not include a multi-fund approach. A multi-fund approach was considered unachievable, as the ESF has its own logic and structures. Furthermore, the ESF funds support actions that are highly relevant (considering the socio-economic reality, the needs in terms of training, and the issue of youth unemployment) but which do not fit with the ERDF OP approach. The ERDF focuses more on the medium-term economic development opportunities that can be established by supporting innovative projects.

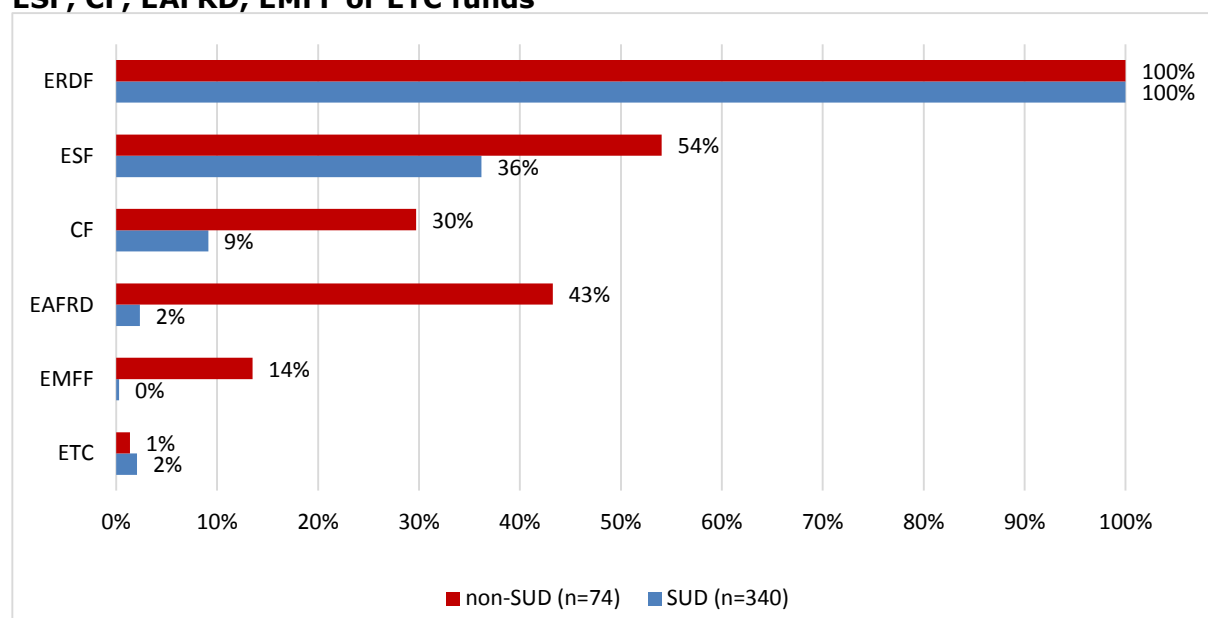
However, the challenges and objectives (reducing unemployment; valorisation; developing social economy; strengthening entrepreneurship; preventing social segregation; and transition to the knowledge economy) of the ERDF overlap with those of the ESF. As such, a number of complementary strategic objectives have been identified to which both ERDF and ESF can make a contribution. In practice, the joint approach to these strategic objectives will be implemented through a committee that includes representatives and officials of the ESF and ERDF.

The Cohesion Fund is implemented in a relatively limited number of SUD strategies (seven percent) in CY, PL, LT, HR, CZ and SI. All except one (CY) of these strategies are implemented by ITI. Non-SUD ITI strategies in PT, RO and LT benefit from CF funding.

The limited use of CF could be related to the thematic focus of the fund, but also to the large size of projects that are perhaps less suitable to be delegated to the local level.

A small proportion of SUD strategies also receive EAFRD funding (two percent). EAFRD funds are implemented as part of a SUD strategy in Sweden (Gothenburg), France (Limoges, Brive, Samur-Loire-Développement), Germany (Grimmen), Greece (Ioannina and Chios) and Cyprus (Limmasol). Only the Limmasol strategy in Cyprus is recorded as a SUD strategy that has EMFF funding. EAFRD funding is included in a much greater number of non-SUD ITI strategies (43 percent). This includes strategies in Portugal, Greece, France, Italy, and Romania. EMFF funding is included in strategies in France, Spain, Greece and Romania. ETC funding is mentioned as part of the strategy in Romania (Baia-Mare and Timisoara). Proportionally, more non-SUD ITI strategies include CF and EAFRD funding, and a small proportion also include EMFF and ETC funding. EMFF is included in non-SUD ITI strategies in France, Spain and Romania. ETC is included as part of one strategy (Azul).

**Figure 36: Proportion of SUD and non-SUD ITI strategies that include ERDF, ESF, CF, EAFRD, EMFF or ETC funds**



#### 4.7.2 Financial instruments

In most cases, the allocation of funds is through non-repayable grants. 29 percent of SUD strategies plan to use financial instruments (FIs). A large number of strategies in PT and BU will use FIs as well as strategies in SE, NL, UK CY and LT. There is no real pattern in terms of which strategies use FI, except that they tend to be more often used as part of a PrAxis rather than ITI. Given the complexities of implementing ITI strategies, it may be considered an additional burden to use FIs as well. A small number of strategies in BE, SI, PL and FR will also make use of FIs. Non-SUD ITI strategies only use FIs on two occasions (i.e. C&IoS in the UK and Figueira da Foz in PT).

Only Latvia has a separate budget line for repayable grants in relation to SUD strategies.

The strategy fiches provide additional insights into the extent to which FIs are used as well as the status of implementation. In Brussels, financial instruments were planned to cover about 10 percent of the funds, although in reality the available funding may be lower.

- In Kaunas, the strategy includes projects to improve the energy efficiency of public buildings and private apartment buildings, which will be financed via

financial instruments. A national institution will be in charge of the loan instrument.

- In Plovdiv, combined financing through a grant and financial instruments will be mandatory for interventions in cultural infrastructure and student housing.
- In Stockholm, financial instruments are implemented as part of the ERDF OPs. This is a continuation from similar FIs implemented in the 2007-13 programme period. The FI is managed by the regional office of the national organisation Almi Invest. Almi Invest Stockholm has established a new fund which, during the current programme period, will have a clearer focus on the early stages of SME investments. Box 6 provides a good practice example of a financial instrument implemented as part of The Hague ITI strategy.

In several cases, financial instruments can be used for SUD strategy implementation, but they are not considered as ring-fenced funding for the local or regional authorities. For example, in Pazardzhik the allocations for financial instruments amount to €139.7 million, which will support projects for investments in the 39 cities in accordance with the strategies. Lille is one of the seven territories that expressed an interest in a financial instrument available to ITIs across the OP area (ex-Nord-Pas de Calais Region). In Cascais and Porto, a financial instrument for Urban Rehabilitation and Revitalisation (IFRRU 2020) has been set up and will work in a coordinated way with the strategy. The IFRRU 2020 presents a fund of funds, set up through a separate block of finance, which may be financed by all ROPs and the NOP for Sustainability and Efficient Use of Resources, and manages FIs for urban rehabilitation and revitalisation. The approach builds on experience with JESSICA-type instruments in the 2007-13 period. In certain strategies, the use of FIs was still being considered (Maribor, Patras).

The C&IoS is the only non-SUD-ITI strategy that includes financial instruments and is designed to move away from a grant-based culture. The strategy seeks to promote a 'fund of funds' style of financial programme and will provide a range of instruments including debt, mezzanine and equity finance for early-stage and more-established SMEs.

Most of the challenges that are identified as part of the implementation of financial instruments do not directly relate to the context of integrated place-based approaches. For example, in Brussels it is noted that the ex-ante analysis for a FI is undertaken on the basis of a very late and very complex regulation, which has caused delays. Furthermore, there have been delays in implementing FIs because of state aid regulation (Lille). The Brussels strategy also noted that a more bottom-up approach to development may be more suitable. In C&IoS, there are also challenges in terms of a relatively weak business base, which hinders implementation.

However, some of the issues do directly relate to the territorial context. For example, in Brussels it is noted that there is a high turnover of staff, which can create challenges, particularly as the development of FIs in the urban and Cohesion policy contexts require specific expertise. Furthermore, the actual integration of FIs in strategies with ring-fenced funding are perceived as problematic, as the extent to which the requirement that local or regional authorities are responsible for project selection applies is ambiguous.

**Box 6: Financial instruments in The Hague**

The Hague has built up extensive experience in the implementation of financial instruments in the 2007-13 period. Together with other FIs that are implemented in the Operational West Programme in the Netherlands, it is regarded as a frontrunner in the EU. During the 2007-13 programme period, The Hague developed a foundation called Holding Economic Investment The Hague (HEID), which aims to develop financial instruments to support economic development in the city over the long term. HEID was developed with support from the European Investment Bank and draws from insights gained in the CIS Europe project (URBACT II programme). There are already several funds, and the structure of the holding fund has been designed to allow upscaling of financial instruments, should this be desirable. This can include upscaling both in terms of ESI funds and domestic funds as well as in the geographical coverage.

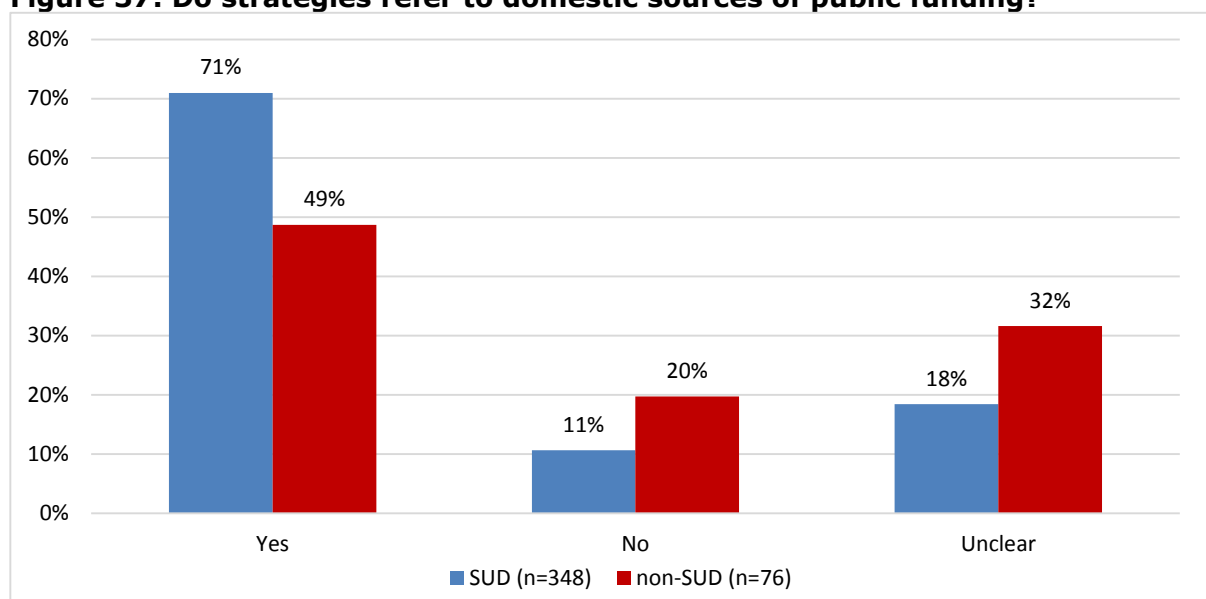
Demand for FIs is expected to increase due to the reduction in availability of capital from the private sector as a consequence of the economic crisis, as well as government cutbacks in public budgets. The Hague is, for example, examining the possibility of introducing an FI for SMEs. On the other hand, the number of FIs has increased significantly in recent years, and it is becoming increasingly difficult to demonstrate added value. Furthermore, the thematic focus of the ITI strategy dictates that a large part continues to be made available through grant funding. The potential for recycling the funds is lower.

The decision to implement an FI is taken by the city (mayor and municipal executive). However, the decision is also subject to an ex-ante assessment that examines the demand (market failure) and effectiveness of the proposed FI. The Hague is preparing FIs in the context of the ITI strategy, which examines the possibility of extending the Fund for Spatial Economic Development (FRED). This includes an FI for small-scale business accommodation, providing loans to property developers that wish to house small businesses. Around €3.5 million is available, which is co-financed with another €3.5 million. The city and programme are exploring to what extent a new tendering process for a fund manager is necessary, or whether the arrangements that were agreed under the 2007-13 period can be automatically extended.

*4.7.3 Other forms of financing*

In 72 percent of SUD and 49 percent non-SUD ITI cases, the strategies refer to sources of domestic public funding. However, it can be difficult to obtain exact figures (Figure 37). Usually, domestic sources of funding are combined from different levels. In most cases, they cover the minimum co-financing arrangements, but strategies can also vastly exceed the co-financing levels, particularly when they are integrated with domestic approaches. In most cases, the funding comes from the national (SUD 68 percent and non-SUD-ITI 68 percent) or local levels (SUD 72 percent and non-SUD ITI 54 percent). In a smaller number of cases, domestic funding is provided by the regional level (SUD 31 percent and non-SUD ITI 43 percent) or other sources (SUD six percent and non-SUD ITI three percent). The latter usually involves public-private initiatives.

**Figure 37: Do strategies refer to domestic sources of public funding?**



In about a quarter of SUD and seven percent of non-SUD ITI strategies, the financial plans include references to private sector funding used for the implementation of the strategies. Table 5 sets out the total anticipated private sector funding for the cases where information is available. The information for non-SUD ITI strategies is provided in brackets. Only a very small proportion of non-SUD ITI strategies include private sector financing (seven percent).

**Table 5: Anticipated private sector funding in SUD strategies (non-SUD ITI in brackets)**

Member State	Number of strategies that refer to private sector finance	Number of strategies that include allocations	Total (€) (€1,000,000)
Bulgaria	11	-	-
Cyprus	2	-	-
Czech Republic	6	6	118.7
Denmark	1	1	1.2
Germany	22 (1)	8 (1)	93.2 (7.7)
Greece	6 (1)	2 (1)	4.3 (0.03)
Spain	1	-	-
France	13	8	18
Croatia	2	-	-
Hungary	5	-	-
Lithuania	5 (3)	5 (3)	18 (2.2)
Netherlands	2	1	3.4
Portugal	3	3	17
Romania	3	-	-
Slovenia	1	1	11.2

Only in a small number of cases (SUD, eight percent, non-SUD ITI, seven percent) do strategies refer to other EU funds (e.g. Horizon 2020, COSME, TEN-T, CEF, EFSI, LIFE+, URBACT, IPA-CBC, Erasmus+, EaSI) as a source to implement the strategies. Some strategy fiches mention other EU funding streams, mostly involving a statement of intent to find synergies with ESI Funds that do not directly contribute to the strategy but which address similar challenges. For example, in Brussels further complementarities are sought with Horizon 2020, LIFE, COSME, and INTERREG (North-West Europe and INTERREG EUROPE programme), and in London the ITI strategy document highlights the

importance of other EU funding streams such as COSME, Horizon 2020, and EaSI (Employment and Social Innovation).

## 5. SYNTHESIS AND ASSESSMENT: CHALLENGES, ADDED VALUE AND LESSONS

In this section, the main challenges that were identified in the strategy fiches are synthesised according to three overarching issues – capacity, regulatory and governance challenges (see Figure 38). These three issues are in many cases interrelated and encompass multiple dimensions. The second part of this section will consider the main dimensions of added value, which include new or strengthening of strategic frameworks, integrated governance, strengthened implementation capacities, and experimentation and innovation with interventions. Third, some of the key lessons that were learned during the design process will be discussed.

### 5.1 Challenges

Earlier studies have already raised concerns about **institutional and administrative capacity** to manage and implement strategies, particularly where responsibilities for implementation are delegated to local bodies with more limited expertise or resources to implement ESIF funds. These concerns about capacity are also linked to the perceived increase in the complexity of the ESIF Regulations, sometimes due to ‘gold-plating’ by Member States rather than the original regulations.<sup>42</sup>

Similarly, the findings from the strategy fiches in relation to capacity challenges include those at the institutional level, which reflect issues around the administrative burden for local authorities linked to unfamiliarity (Liepaja, Lublin) and the small size of the administration (Matera), as well as issues of excessive complexity, the lengthy design phase (Nitra), a bureaucratic process perceived as cumbersome (Berlin, Elblag, Chomutov, Lille), and complicated guidance. In some of these cases, external expertise is required to fill capacity gaps (Pazardzhik). In a number of cases, institutional capacity is also negatively affected either by tight deadlines (Cascais, Porto) or by processes that are considered too lengthy (Barcelona, Danube), and by strategies that have suffered from delays and overlapping processes (Debrecen, Ploiesti, Tatabanya, Timisoara) that influence the quality of design and the speed of implementation. Capacity challenges also occur at the MA level, where the introduction of integrated place-based approaches has added to an already heavy administrative burden (Limburg).

Second, beneficiaries and stakeholders may lack capacity in terms of experience with ESIF projects. The design and implementation of integrated place-based approaches is in many cases significantly different from previous approaches and includes different beneficiaries and stakeholders. This lack of capacity and understanding can lead to disinterest. Several strategies also report that public interest in strategy design is low (Kaunas, Vejle, Debrecen, Danube), despite major efforts. There are also reports of challenges in terms of beneficiary recruitment, either because new groups are targeted (Brussels, Six Cities) or because of a scarcity of suitable beneficiaries that can absorb funding (Debrecen). In some cases, low absorption rates for specific priorities are expected (Danube, Plovdiv). The inclusion of certain stakeholders in the design process proved challenging in some strategies. The Danube strategy received limited engagement from local authorities who perceived the strategy as too top-down. Despite extensive efforts, public engagement in the design process was considered to have limited success

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<sup>42</sup> van der Zwet, Miller and Gross (2014) *op. cit.* Also see: Böhme K, Holstein F, Toptsidou M and Zillmer S (2017) *Research for REGI Committee - Gold-plating in the European Structural and Investment Funds*, available at: [http://www.europarl.europa.eu/RegData/etudes/STUD/2017/585906/IPOL\\_STU\(2017\)585906\\_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/585906/IPOL_STU(2017)585906_EN.pdf)



in Debrecen and Pecs. In Kaunas, the short timescales afforded limited opportunities for engagement with stakeholders.

Third, capacity challenges are also linked to the ability to implement the strategy due to limited funding. Earlier studies also found concerns in relation to the **scale of funding allocations**, dispersion of responsibilities, and funding. In most Member States, the level of funding allocated to ITI (and integrated place-based approaches more broadly) is relatively limited, raising questions about their potential impact.<sup>43</sup> Budgetary restrictions limit the scope of a strategy or conversely make the implementation of a comprehensive strategy unrealistic (Cascais). Additionally, the distribution of reduced funds over a broader array of priorities can cause fragmentation (Berlin). Negotiating financial contributions across different OPs is challenging (Brno). Budgetary challenges require a more focused approach aligning operations with strategic objectives (Cork). Domestic budgetary restrictions can cause challenges in terms of securing co-financing, which in some cases can impact on design (Nordhausen). Limited funding may also influence the design of indicators, as the funded operations are unlikely to have a major impact that can be measured using common indicators (The Hague). The results from case studies find that there can be a discrepancy between the aims of strategies and the funding that is required to achieve these aims. Such a discrepancy is not necessarily problematic, as it can lead to effective prioritisation and better understanding of the strategic choices that need to be made by a wider group of stakeholders. However, it can lead to tensions between stakeholders within the territory as well as between different levels of government. Furthermore, in cases where financial allocations are small, either because the overall Member State allocation is small or because funding has been dispersed over many territories, the effectiveness and efficiency of the approach can be questioned (Limburg, Cascais, Porto, Tâmega e Sousa, Vejle). An overreliance on ESIF funding is often also considered problematic (Patras).

A second overarching category can be described as **regulatory challenges**. These relate in the first instance to a perceived complexity. Some of the evidence suggests that there is an inherent tension between, on the one hand, the flexibility afforded to Member States in terms of the different ways in which integrated place-based approaches can be implemented, in relation to the different mechanisms that can be used, the diverse range of territories that can be targeted, and the integration with domestic implementation structures. This flexibility is considered valuable and positive and allows Member States, regions and urban authorities to adopt approaches that are sensitive to the context. On the other hand, this flexibility means there is a certain amount of ambiguity in relation to the rules and regulations.<sup>44</sup> This can lead to concerns about whether there could be any future audit issues that stakeholders should be aware of.

However, it can also be associated with a lack of capacity and lack of understanding of integrated place-based approaches, which can lead to calls for more guidance. In these cases the lack of – or late provision of – guidelines is closely linked to the perception of complexity (Maribor, Katowice, Vejle). A lack of information with regard to the practical implementation of integrated place-based approaches (Aurillac) was often associated with the issuing of guidance at the domestic and EU levels. The late provision of guidance was considered problematic.

It is important to distinguish between EU and domestic guidelines in this case. In most strategy fiches in which delays in guidance were considered an issue, it was the domestic guidance that was considered more problematic, but the delays in domestic guidance were often a consequence of the late approval of guidance at the EU level. Late provision of guidance was challenging in those cases where strategy design had already started and had subsequently to be adapted (Brno, Chomutov, Elblag, Patras, CFC pole) or could

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<sup>43</sup> van der Zwet, Miller and Gross (2014) *op. cit.*

<sup>44</sup> *Ibid.*

not inform the full design process (Tatabanya, Maribor). In some cases, a continued absence of guidance at the domestic level is considered to have had a negative impact on the quality of the strategy (Timisoara, Ploiesti). Guidance can also be considered too restrictive and leading to an approach that is too uniform (Kaunas) or too complex (Vejle).

Another element that is in some cases linked to the complexity issues relates to the measurement and development of meaningful indicators. First, several strategies reported a lack of data sources on which a comprehensive area analysis could be based, particularly at neighbourhood level, but also in some cases at city level (Kaunas, Lublin, Ploiesti, The Hague, Zagreb). Second, wider measurement issues relate to challenges with multi-fund approaches (Brno, Stockholm, The Hague), delays in developing indicator systems (Brussels), and lack of autonomy in terms of developing indicators (CFC pole). Inappropriateness of indicators for demonstrating the integrated territorial impact of strategies was a major challenge (CFC pole, Egnatia Odos, Kaunas, Limburg, Maribor, Nitra, Pazardzhik, Pecs, Plovdiv, Prague). Issues involving measurement are discussed separately in Section 4.6 and in further detail in a methodological report.<sup>45</sup>

The lack of clear guidelines is also linked to a frustration that the integration of funds is at best limited to the strategic level and not the project level (Katowice, Brno, Six Cities, Kaunas, Limburg, Stockholm, The Hague). This point is made in the Katowice case, where it is noted that there is a need for more clarity and flexibility in the rules and guidelines for implementation produced by the Commission, including on how to plan integrated projects.

The mandatory use of assigning intermediate body status is in some cases also considered problematic and as creating unnecessary complexity (Nordhausen, Brno, Maribor). For example, in Brno the diverse implementation structure for the ERDF flows on the one hand, and for the ESF and CF on the other hand, complicates the implementation mechanisms of ITI.

The lack of a domestic urban policy framework or sufficient linkages to domestic policy frameworks can also hamper effective implementation. For example, a key problem for Turin is represented by the lack of a national urban strategy and by the fragmentation of responsibilities for urban development at the national level, which means that cities must interact with different ministries/agencies. And in Kaunas, urban-level authorities must coordinate each project under the strategy with different OP management authorities and are dependent on the timing of national-level authorities.

Lastly, there are inconsistencies within the ESIF framework with regard to supporting integrated place-based approaches, particularly the requirement for thematic concentration. In some cases, local actors note that the decisions on the themes that are covered by the Programme and which are informed by the thematic concentration principle mean that not all themes that relate to the local needs of strategies are covered in the Programme and therefore cannot be covered in the strategy. This requirement either meant that local or regional authorities responsible for the development of the strategies were forced to adopt themes that were not considered a priority or they could not include themes that were a priority, e.g. the enforced inclusion of thematic priorities that were considered of little relevance to the strategy as well as the exclusion of certain themes that were relevant to the urban area in Katowice. In Brno, the gradual narrowing of eligible themes and activities from national level for the ITI strategies has undermined the confidence of local partners in the capabilities of the ITI instrument. Only part of the strategy's scope can be implemented due to thematic narrowing (Chomutov). Tourism as a theme could not be included in the Danube strategy. In relation to the Lille strategy, the urban authority wanted a narrower focus, whereas the MA wanted to cover all four axes of the programme. In Limburg, local actors desired a narrowing of priorities.

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<sup>45</sup> Ferry, McMaster and van der Zwet (2017) *op. cit.*

Tatabanya, by contrast, deemed that a greater diversity of interventions was necessary. In Pecs, the strategy formulation started on the assumption that it would encompass territorial and sectoral measures. However, the menu system and the pre-defined breakdown of funds as well as eligibility provisions altogether inhibited the use of a truly integrated approach at both project and programme levels. In Brussels, during the design process a balance had to be struck between thematic concentration and creating a broad basis of support for the integrated sustainable urban development strategy. In addition, in the Six Cities strategies there have been some challenges to ensure that the cities 'understand' how to align the implementation of the strategy so that it contributes to the overall objectives of the OP. Some strategies experienced challenges in terms of aligning the objectives to domestic or other policy frameworks (Azul, Berlin).

There are also challenges in relation to other European policy frameworks, in particular concerning state aid requirements, which limit the implementation of strategies. For example, in Aurillac urban regeneration projects focusing on housing, the revival of retail activities or sustainable mobility, usually require a public-private joint venture because of their size and complexity, especially in a context of limited public finances. However, they face state aid restrictions.

A third category of challenges falls under the heading of **governance**. Integrated place-based approaches require intensive coordination between different levels and different policy areas, which presents its own challenges in terms of planning. Barca also warns of potential failure of coordination, leading to an underprovision of some public goods and services and overprovision of others.<sup>46</sup> The strategy fiches demonstrate that these challenges can relate to issues of communication, particularly at the early stages of negotiation when the national approach is agreed (Brno, Debrecen), or communication between the MA and local authorities has to be improved (Zagreb). Related to this is the issue of coordination between a diverse and large group of actors. Coordination of design and approval was problematic, particularly in those cases where a large number of partners had to agree with the strategies (e.g. CFC pole). This could lead to complications in stakeholder communication (Prague, Elblag). In the case of Limburg, the MA had limited involvement in the design process, which meant the regional authority was not always fully aware of the rules with regard to the implementation of ERDF. In Nitra, the lack of coordination and communication between different ministries was considered an obstacle to the design process. Furthermore, a lack of coordination at the central level can also lead to challenges for local or regional authorities in terms of multiple contacts that are responsible for different parts of the process (Maribor). Similarly, the cross-sectoral nature of the strategy in Vienna is considered to have resulted in a complex coordination process.

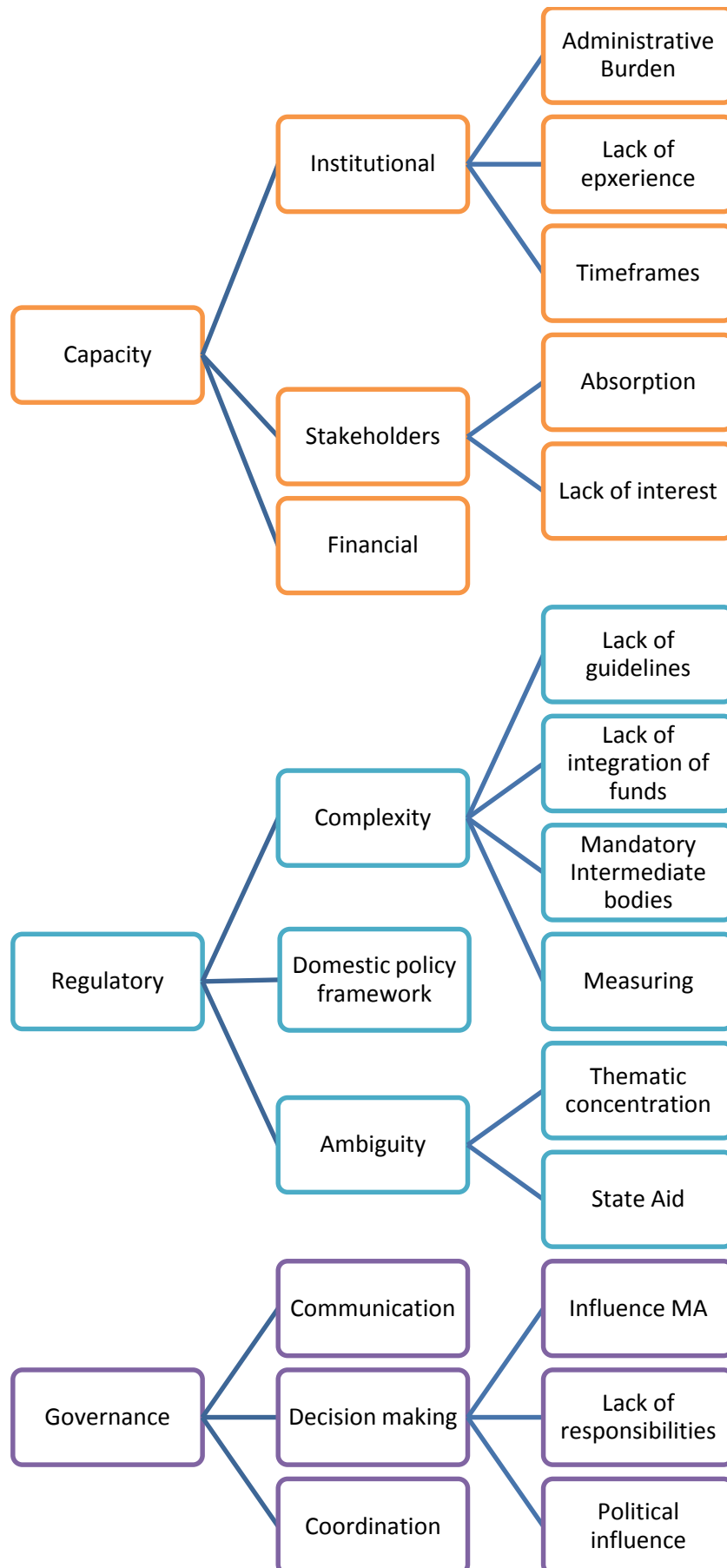
Lastly, the governance category includes several issues in relation to the decision-making process. First, politics and negotiation can have an important impact on the development of strategies. Political will and commitment at local (e.g. Debrecen, Pecs, Porto) and central levels (e.g. Limburg), as well as positive and early negotiations (Berlin), were identified as shaping strategy design. In a number of instances, strong political commitment was noted. However, in others the involvement of independent experts that stood 'above' politics was also considered influential (e.g. Limburg).

In this context, it is noteworthy that for non-SUD ITI strategies, regional uniqueness was considered an asset in developing a strategy (Limburg, Cornwall and the Isles of Scilly). This often provided the basis for cross-party cooperation and unity of demands against the centre.

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<sup>46</sup> Barca (2009) *op. cit.*

**Figure 38: Key challenges**



In some strategies, political challenges can emerge that create uncertainty and delays. In the strategies for London and Cornwall and the Isles of Scilly, the Brexit referendum caused uncertainty during the design phase. As mentioned, strategies can form the basis for political differences (Aurillac, Porto) or political changes can impact on the design process (Zagreb, Torino). The decision to implement ITI can lead to political demands from other areas to have similar arrangements (Limburg, Elblag, Walbrzych).

These include:

- political influence can have a negative impact on the decision-making process (Maribor);
- central-level procedures are not appropriate for the local context or are out of synch with local timelines (Debrecen, Porto, Ploiesti, Timisoara, Kaunas, Patras). For example, Aurillac pointed at the disconnection between the delegation of project identification and selection and retaining financial management, including technical assistance, which raises issues in terms of appropriate administrative resources and visibility regarding strategic management; and
- more clarity with regard to the role and responsibilities of different authorities is required (CFC pole, Six Cities, Kaunas, Limburg).

## 5.2 Added Value

**Analyses of the influence of Cohesion policy in changing the policy and practices of regional and urban development in Member States are often discussed under the broad heading of 'added value'.** These analyses have highlighted changes in the way that practitioners and stakeholders conceptualise and relate to regional policy through involvement in Cohesion policy programmes: in the content of the policy (strategic goals, underpinning rationales and measures), and in the way policy is designed and delivered. Generally, Cohesion policy is credited with:

- strengthening the profile and strategic framework of regional policy;<sup>47</sup>
- encouraging integrated governance, strengthening capacities;<sup>48</sup>
- promoting experimentation and innovation, with interventions facilitating greater cooperation and collaboration among policy-makers and stakeholders at different levels.<sup>49</sup>

In this way, ESI Funds act as motivators or 'agents of change'.<sup>50</sup> Although at an early stage of implementation, **the introduction of integrated place-based strategies creates substantial potential<sup>51</sup> for the creation of these dimensions of EU 'added value'** (see Figure 39).

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<sup>47</sup> Mairate A (2006) The 'added value' of European Union Cohesion policy, *Regional Studies*, Vol. 40, No. 2, 167-177.

<sup>48</sup> European Commission (2016) *Strategic Plan 2016-2020*, DG Regional and Urban Policy, May 2016, Brussels.

<sup>49</sup> Bache I (2010) Building multi-level governance in Southeast Europe? *Southeast European and Black Sea Studies*, 10(1), 111-122.

<sup>50</sup> Polverari L, Ferry M and Bachtler J (2017) The Structural Funds as 'Agents of Change': New Forms of Learning and Implementation, *IQ-Net Thematic Paper 40(2)*, European Policies Research Centre, University of Strathclyde, Glasgow.

<sup>51</sup> It is important to stress that, at this stage, the added value is often only *potential*; new frameworks and mechanisms have been introduced, but their operation in practice is not tested or assessed.

**Figure 39: The added value of integrated territorial approaches**



### 5.2.1 New or strengthened strategic frameworks

**In several cases, the process of developing integrated place-based strategies has already created added value by demonstrating to stakeholders in the territory the role and significance of integrated strategic approaches.** Potential added value is recognised in addressing inefficiencies caused by fragmentation. The involvement of local authorities in the design and implementation of strategies is credited by implementing authorities with creating potential for minimising rivalry, competition and duplication of projects.

- In Lublin, for instance, the development of the SUD strategy has increased the knowledge and awareness of the role and importance of strategic and integrated programming. The standard of strategic planning for development has increased and local authorities have become much more involved in Cohesion policy implementation (as opposed to acting only as beneficiaries). Thus, there is a clear process of local-level capacity-building underway.
- In Patras SUD strategy, a key component of perceived added value among policy-makers is that, contrary to previous programme periods, which relied on project-based, fragmented interventions, the strategy now sets out an integrated plan with a particular geographical focus.
- Similarly, in the Prague SUD strategy there is a presumption that the adoption and implementation of the strategy will ensure better functional links between constituent areas, developing strategic solutions to common problems.
- In Kaunas SUD, local authorities see the strategy-planning and implementation process as a good exercise to prove the use of integrated planning in the real life. Success of the strategy will be an important determinant of whether and to what extent an integrated approach will be introduced into city planning in the future.

Some areas have long-established traditions of working with integrated place-based strategies and limited ESI funding allocations. In these cases, **added value can be identified in the extension or strengthening of existing practice.**

- In Limburg regional ITI strategy, added value is recognised in the integration of the strategy with the SALK Action Plan to enhance the economic recovery and support sustainable job creation for the region. The introduction of the ITI in conjunction with SALK has created new informal structures that bring together new partners around the sectoral business cases identified. As such, the more integrated place-based approach is breaking down sectoral silos.
- The Cork SUD strategy strengthens the integration of the country's overall approach to regional development with local development plans. It offers the opportunity to fund a range of projects and embed them into an integrated plan for the city. From the city-level perspective, the link between the city plan and ESI funding provides the opportunity to 'think bigger' and more strategically about which projects they want to fund.

### *5.2.2 Integrated governance, strengthened implementation capacities*

**The implementation of integrated place-based strategies is creating added value in some contexts in the form of new, cooperative governance mechanisms and structures.** In SUD cases, it is arguable that changes in practice will be more evident. The establishment of Article 7 bodies may have a more observable influence on how interventions/projects are implemented when compared to non-SUD ITI strategies. The input of regional and urban authorities in resource-allocation decisions must be demonstrated, particularly in the selection and delivery of projects. This secures active participation in resource-allocation decisions, and in many cases is accompanied by new systems, structures and tools that maximise the input from partners and stakeholders, etc. In some cases, implementation by urban and regional authorities has required organisational arrangements that increase resources for implementation and, potentially, boost capacity in the longer term. In non-SUD ITI strategies, there is still potential for changes in practice to take place, but the participation of urban and regional authorities in resource allocation decisions varies. These **new approaches to governance can include the development of different governance structures, processes and capacities** that cover different types of functional area.

- The Brno SUD ITI strategy has become a catalyst for institutional changes in metropolitan cooperation and has enabled wide agreement on, and funding for, strategic projects principally for the metropolitan territory. There are now efforts to ensure the continuation of the structures created (e.g. steering committee, working groups) and metropolitan partnerships.
- In the Lublin SUD strategy, the added value of ITI is seen as substantial by the MA, the ITI Office and the ITI partners. The key impact in this respect is the ITI strategy's role in changing approaches to territorial governance in the region. The ITI strategy creates a governance framework and incentivises an integrated approach to territorial governance where city and local authorities are working together on the ITI strategy and are trying to use this cooperation for the development of the whole area. It is worth noting that before signing the agreement in 2014, neither the mayors nor the operational civil servants of the Lublin municipalities were in regular contact with each other. Thanks to a special model of ITI cooperation which includes an operational ITI strategy coordinator in every partnering municipality, officials are in contact on a daily basis, while the mayors meet at least once a month to discuss more strategic issues. Such close interaction would not have happened without the ITI strategy framework and the associated incentives.
- For the Tâmega e Sousa regional ITI strategy, the work of a new Observatory is fundamental for the calculation of the strategy's indicators. The Observatory originates from an initiative launched in 2013, aimed at overcoming the deficit of information supporting the definition of policies at the sub-regional level, given the scarcity of official statistical data at the NUTS 3 level. The Observatory will permanently monitor the sub-regional situation, collecting and calculating the



system of output and result indicators defined under the strategy. The Observatory's work will not be confined to official information, and it will promote own initiatives to produce statistical or other types of information.

**Strengthened cooperation can also concern partners from different sectors.**

Integrated place-based strategies involve a much broader range of actors compared to simple projects, and this can strengthen social networks based on reciprocity, trust, and cooperation.

- In the Maribor SUD strategy, for instance, added value is identified in the intensive cooperation with the university and NGOs.
- A feature of added value noted in the case of the Brussels SUD strategy is the development of inclusive partnerships including those involved in the social economy and voluntary sectors.

*5.2.3 Experimentation, innovation with interventions*

**Specific features of integrated place-based strategies also increase the potential for experimentation with new and innovative approaches to designing and delivering initiatives,** in turn creating added value.

For instance, in some strategies **the scope to combine different ESI Funds is seen as a source of added value**, providing efficiency gains from exploiting synergies between different funding streams in one integrated place-based strategy.

- In the Egnatina Odos regional ITI strategy, combining ERDF and ESF into one initiative has allowed investment in SMEs to be improved, as actions that can be funded include vocational training, youth and female entrepreneurship in the field of tourism, social entrepreneurship in the field of culture, and development of artistic skills.
- Similarly, implementing authorities for The Hague SUD strategy highlight the value of integrating ESF and ERDF funding in the territory. The integration of ERDF and ESF in the ITI strategy is seen as an important development. It is too early to fully understand how effective this approach is, but it does encourage policy-makers and project stakeholders to at least think in a more integrated way. The integration at the level of the ITI strategy is considered a first step towards further integration at the project level. It is noted that there are important differences in terms of culture, implementation practices, and types of stakeholders between the funds, which form a significant barrier. However, by combining ERDF and ESF within an ITI strategy, these barriers are bridged both by public administration bodies and stakeholders.

In other cases, policy-makers are taking advantage of ESIF integrated place-based strategies to **pilot new configurations of territories and stakeholders, including private sector partners.**

- The Finnish Six Cities SUD strategy represents an innovative type of operational cooperation between the six cities, which has emerged from their needs (i.e. joint interests and measures). The starting point was that the strategy would not just entail one or two cities, but multiple cities across Finland. The instrument is perceived to be valuable and innovative as it also promotes cooperation with businesses and strives to achieve other objectives such as competitiveness and growth. Added value is also achieved by increasing awareness of investment opportunities and the formation of links with the private sector that can facilitate private funding for specific, innovative types of actions.
- In the Vejle SUD strategy, the expected added value is that it will help to build a common basis for public-private partnership and in so doing strengthen cooperation on sustainable urban development. For example, from a small project on the utilisation of construction waste, it is expected that awareness will be



strengthened among SMEs of the business potential in the more sustainable utilisation of waste.

- In the Azul regional ITI strategy, the adoption of an integrated approach is seen as contributing towards attracting investments from the private sector in the blue economy.

### 5.3 Lessons learned and good practice

The lessons learned from the introduction of SUD or non-SUD ITI strategies are largely confined to the design stage, as the experiences in terms of implementation were limited at the time of the study.

The introduction of integrated place-based approaches has led to some important changes in the manner in which strategies are designed, specifically (one of the key characteristics of place-based approaches) **the interaction between bottom-up local knowledge and top-down operational and analytical expertise**. In terms of the bottom-up process, the early engagement of the public and other key stakeholders in the strategy development process is considered important good practice for urban and regional authorities, which encourages buy-in, ownership and collective responsibility. It was also recognised that developing local involvement often requires a change of culture, which is a long-term process, and indeed the strategy fiches highlighted the experience and continuity in relation to previous approaches as an important feature of the integrated place-based approaches in the context of ESI funding (Barcelona, Berlin, Cascais, Egnatia Odos, Lille, Pazardzhik, Ploiesti, Stockholm). Furthermore, some strategies highlighted the opportunity for learning at all levels (Aurillac, Liepaja). There were also examples of strategies where such strong local influences in relation to design and further implementation are already a key feature (Malaga, Berlin, Reggio Emilia).

However, there is also recognition that top-down elements need to be in place in order to create an effective strategy. This is not only important to ensure that strategies contribute to overall programme and policy objectives, but also to ensure that learning is passed down appropriately. **Embedding integrated place-based strategies in the policy framework is a process in which overarching authorities (at regional, national and European levels) have a coordinating and leadership role**. In practical terms, this role can take the form of:

- providing accurate and timely **guidance** (e.g. Patras, Plovdiv);
- ensuring **coordination across government departments and European institutions** (e.g. C&IoS, Chomutov, Tatabánya); and
- facilitating **cooperation between local authorities** and creating spaces to facilitate effective dialogue and exchange of practice between cities (e.g. Pecs, Aurillac, Maribor, Palermo, Torino and Vienna).

In the context of bottom-up and top-down, **the significance of the partnership principle** is also mentioned as a key feature of the integrated place-based approaches. Three types of partnership can be identified:

- **horizontal** – the inclusion of different types of partners from a territory (e.g. Barcelona, Brussels, Cascais, CFC pole, Six Cities, Maribor, Nordhausen, Vejle);
- **vertical** – the inclusion of partners from different levels of government (e.g. Cork, Nitra, Palermo); and
- **territorial** – the inclusion of partners from across different territories (e.g. Brno, Chomutov, Elblag, Lublin, Nitra, Walbrzych).

The introduction of integrated place-based approaches is also deemed to have had a **positive impact on planning and implementation practices**. It is also noted that the provision of ring-fenced funding for urban (and in some cases regional) territories improves programming and the ability to deliver the strategy objectives in a predictable

manner (forecasting human and financial resources) and reduces unhealthy competition for funds (e.g. C&IoS, Pazardzhik, Pecs, Tatabanya, Vienna). The ability to engage in long-term and strategic planning exercises that allow for territorially targeted and integrated place-based approaches is also considered a major benefit (e.g. Brno, Tatabanya, C&IoS, Cascais, Cork, Kaunas, Maribor, Porto, Tartu, Brussels, Palermo, Pazardzhik, The Hague).

In several strategies, the introduction of integrated-place based strategies has led to **new implementation practices** that are considered to be good practice. For example, in Cork, the city council has introduced a more robust way of scoring projects as a consequence of ESIF provisions for urban development. In Katowice, the use of a competitive mode for project selection is considered best practice as it reduces implementation delays. In Lille Metropolis, the MA praised the urban authority for its choice to opt for calls for projects in instalments per investment priority, which improves project selection and adaptation to the financial envelope. Also, in Ploiesti, the selection and project pipeline process are hailed as successful in their ability to identify a high number of projects that can subsequently be prioritised.

One of the benefits of introducing integrated place-based approaches is considered to be **the opportunity to build capacity and knowledge in relation to strategy development and implementation at the urban and/or regional level**. For example, in Katowice the delegation of tasks to sub-regional authorities has been instrumental in raising awareness of the role of integrated strategic planning, building responsibility for Cohesion policy implementation tasks in a broader range of partners, and boosting administrative capacity. In Plovdiv, the limited capacity was recognised as a challenge in relation to the strategy design process, but the initial findings seem to suggest that capacity is increasing. In Tartu, the introduction of the SUD strategy has led to enhanced capacity of urban authorities to identify and solve issues in an integrated and holistic manner. Lublin and Walbrzych also acknowledge positive capacity-building effects.

The importance of **institutional structures and management arrangements** are clearly recognised in the case studies. For example, in Berlin there is awareness that the strategy profits from an exceptional governance situation where the MA, the IB and other partners are concerned about one region and are located in close proximity to each other. Also in The Hague, the strategy notes that high levels of trust between institutions are considered a major benefit. In Tatabánya, the integrated sustainable urban development programme prompted a revisiting of the internal structures and working practices. The importance attached to this new opportunity was well reflected by the setting-up of the dedicated Strategy and Project Office and the substantial staff increases. In Timisoara, the proposed local governance system for all development policies – able to channel funding and to coordinate local projects, while guaranteeing programming consistency and participation – is considered good practice. In Torino, the integrated place-based approach has prompted a restructuring of the organisation of social service provision through the creation of multi-dimensional single-access points, which is considered good practice.

**Political support and devolving implementation responsibility** to the local level are also strongly supported. In London, the authorities generally support greater devolution of governance responsibilities to the city level and consider the ITI mechanism useful in facilitating this process. Patras also notes that the role of urban authorities has partially been strengthened as a consequence of the introduction of integrated place-based approaches. In this context, local political support for the introduction of integrated place-based approaches can be a key feature (e.g. Limburg, Reggio Emilia).

## 6. TYPOLOGIES

This section provides an analysis of the findings presented in the previous sections and aims to synthesise the information in terms of the characteristics that provide a basis for typologies.

### 6.1 Member State typology

The typology presented in Map 1 covers the financial and territorial dispersion of SUD approaches across Member States. Member States are categorised according to size of ESIF allocation in real terms, for which the cut-off point is €10 billion, and the number of urban centres that are selected for SUD strategies, for which the cut-off point is 10 strategies. Overall, there is a pattern in that those countries with high levels of funding in real terms have a higher number of strategies, and vice versa. However, there are some important differences.

The first group consists of Member States that have a low budget in absolute terms and have selected relatively few strategies. In terms of the number of urban centres, this group is diverse. For example, countries like the NL, BE, DK,<sup>52</sup> FI and SE all have a high number of large and medium-sized urban centres that could benefit from funding. In these countries, due to limited budgets, choices have had to be made in terms of the number of cities that are targeted. Member States such as CY, EE, HR LV, LT, LU and MT have few urban centres and their funding allocations are higher in relative terms (i.e. as a proportion of population). Therefore, they have also selected strategies for urban centres that are relatively small.

The second category consists of Member States where funding is high in real terms but where there are few strategies. In this category, the UK is different from CZ and SK, as it has a high potential number of urban centres that could benefit. Thus, particularly in the former case a clear decision was taken to concentrate funding in a small number of urban centres.

The third category consists of Member States with low funding allocations but a high number of strategies. However, there are also different rationales here. In BG and SI, the allocations are higher in relative terms. In IE and BG, the selection is closely linked to domestic approaches of urban development. For example, in IE there are attempts to disperse funding for regional development beyond Dublin. In AT, the federal system has led to Vienna being targeted, as well as various smaller urban centres in Upper Austria.

The final category consists of Member States with large funding allocations and a high number of strategies. Here there is a distinction between Member States with a very large number of strategies, i.e. over 50 (PT, ES, IT, DE, FR), and those with a medium number of strategies (PL, HU, RO, EL). Thus, in Member States such as PL, which is polycentric and has high allocations in real terms, the strategies can be considered concentrated.

The typology raises some important questions concerning the implementation of Article 7 strategies. Namely, there is a tension between the concentration of resources to ensure that Article 7 strategies are targeting key urban centres and an inclusive approach in which a wider range of urban centres are able to benefit from Article 7 funding and opportunities.

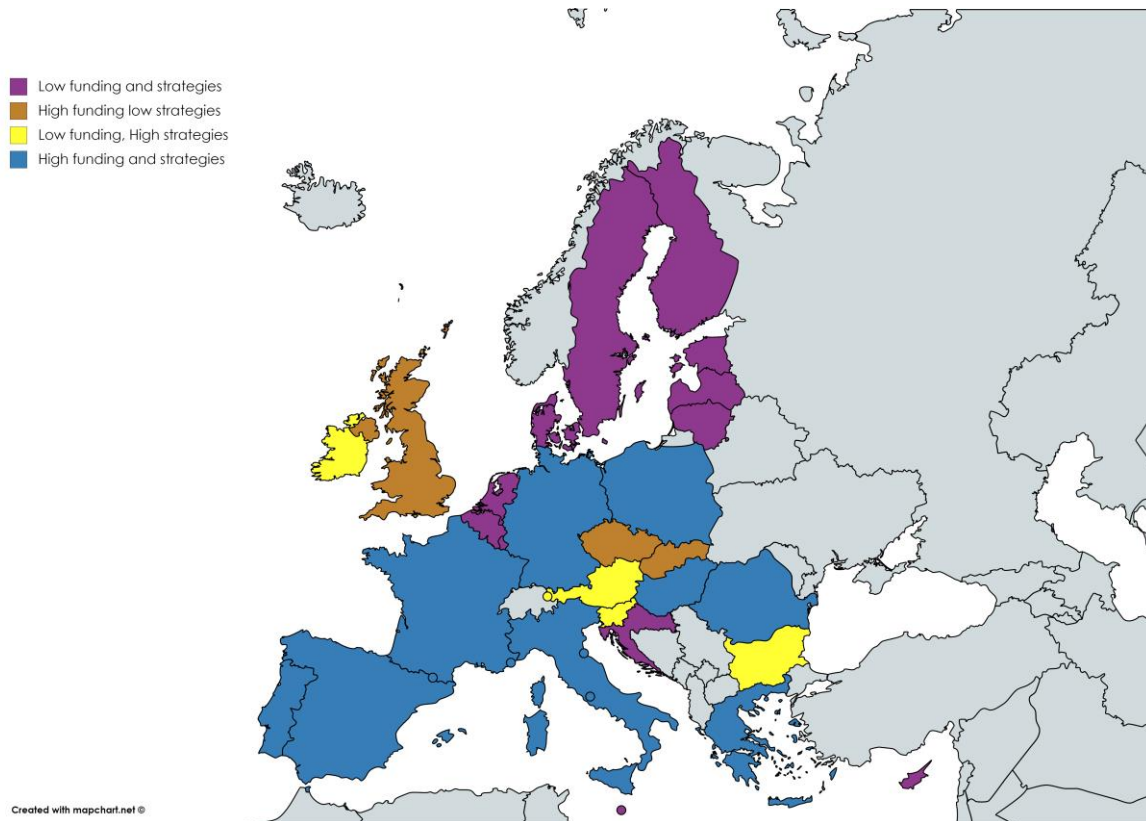
The explanation as to why Member States decide to concentrate or deconcentrate funding is multifaceted. In the first instance, it depends on the level of funding that is received in real terms and the extent to which this can be absorbed by more or fewer cities. Second, it also depends on the urban structures within Member States. If there is

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<sup>52</sup> In Denmark, selection is on-going.

a pre-existing category of cities that already enjoy a recognised status as core urban centres in domestic legislation, there is a strong incentive to focus on them. This is for example the case in the UK and the Netherlands. Third, the extent to which programme implementation is regionalised can also have an effect. If multiple OPs contribute to the SUD requirements, the number of urban centres targeted is likely to be higher. However, this is not always the case, as for example in Spain where only one OP is implementing a high number of strategies. Conversely in the Netherlands, there are four OPs but only one is contributing to the SUD requirements.

### Map1: Financial and territorial dispersion



## 6.2 Strategy-based typologies

This section provides several strategy-based typologies. The main characteristics of the strategies are reported according to category of region, type of city, scope of strategy and type of implementation mechanism. The typologies look at different variables, which include two compound variables consisting of a number of variables that have been synthesised into a single overall score for each strategy.

- A 'comprehensiveness' score of the strategy document is assessed by combining scores for seven questions that are based on the guidance provided by the Commission:<sup>53</sup>
  - Does the strategy identify specific challenges to be addressed?
  - Does the strategy apply an integrated, multi-sectoral approach to territorial challenges?
  - Does the strategy set out clear objectives?

<sup>53</sup> EC (2015) Guidance for Member States on Integrated Sustainable Urban Development (Article 7 ERDF Regulation), available at: [http://ec.europa.eu/regional\\_policy/en/information/publications/guidelines/2015/guidance-for-member-states-on-integrated-sustainable-urban-development-article-7-erdf-regulation](http://ec.europa.eu/regional_policy/en/information/publications/guidelines/2015/guidance-for-member-states-on-integrated-sustainable-urban-development-article-7-erdf-regulation)

- Does the strategy clearly define results/indicators to be achieved (in the form of targets)?
- Is there a risk analysis / risk mitigation plan in the strategy?
- Does the strategy demonstrate how different interventions are interlinked to each other?
- Is there a clear intervention logic connecting identified challenges and objectives to planned interventions?

Each strategy receives a score of one for each of the questions that have been answered as 'yes', a score of 0.5 for each question that has been answered 'partially', and a score of 0 for each question that has been answered as 'no'. This is divided by the total number of questions (7), leaving each strategy with an average score between 1 and 0. The higher the score, the more comprehensive the strategy document was in considering the criteria set out above. It should be noted that the comprehensive score is not an assessment of the quality of the strategy, but rather it reflects whether certain elements are explicitly included in the strategy documents. Furthermore, as mentioned in Section 3, the data are based on a qualitative assessment of the strategy document by the national expert.

- A delegation compound variable was constructed. The delegation score is a measure of the extent to which management and implementation tasks are delegated to the urban/regional authority level. For each strategy, the score lies between 0 and 1; a score of 0 indicates that all tasks are carried out solely by the managing authority (low level of delegation) and 1 indicates that all tasks are solely carried out by the urban/regional authority (high level of delegation). The score is calculated by assigning a value of 1 (urban/regional authority only), 0.5 (shared responsibility) or 0 (MA only) to each of the 16 tasks identified in Figure 27 and Figure 28. For each strategy, the mean of these 16 values is calculated to give its delegation score.

The following single variables are included in the typologies:

- population covered by the strategy (median);
- proportion of strategies that cover a NUTS 3 region, part of a NUTS 3 region or multiple NUTS 3 regions, or NUTS 2 regions (see Figure 9, p. 30);
- level of ESIF funding (median);
- proportion of strategies that are considered new;
- proportion of strategies for which new institutions have been created;
- proportion of multi-fund strategies;
- TOs included in strategies (those that are reported in over 50 percent of strategies of a certain category); and
- number of IPs per strategy (median).

### 6.2.1 Territorial scope typologies

This section analyses the characteristics of strategies according to territorial features. The following two typologies are presented :

- category of regions (MDR, TR and LDR);
- size of city in relation to Article 7 strategies.

The category of region typology compares regions in the MDR, LDR and TR categories (Table 6). The major finding is that LDR strategies:

- more often have new strategies – as there is less experience of implementing integrated place-based strategies when compared to MDR and TR;

- have larger budgets – as the ESIF allocations to these regions are higher;
- include more investment priorities from more thematic objectives – as the scope to include TOs in OPs is less restricted when compared to MDR; and
- more often created new institutions, which is linked to the creation of umbrella organisations that cover FUA but also the fact that there are fewer institutions that have experience of coordinating integrated strategies and explains the drive for the creation of new ones.

LDR strategies also tend to have a slightly higher comprehensive score than those in MDR and TR. This is likely to do with the fact that they are more often new strategies that follow the structure and approach set out in the Commission guidance. On the other hand, MDR and TR strategies are more often a summary of already existing domestic approaches and are therefore less explicit in outlining different elements and following the Commission's intervention logic.

The median population for TR is substantially lower than for the other regions. This is because TR have more strategies that cover specific neighbourhoods, particularly when compared to LDR, but also as there are fewer larger urban centres in these regions.

The delegation score for strategies in MDR and TR categories is slightly higher, which can be explained by the increased experience of implementing integrated place-based approaches at the local level in these regions.

There is not much difference in the size of the strategy area in terms of NUTS classifications. In all regions, strategies that are smaller than a NUTS 3 region form a majority. Strategies in LDR are more often multi-fund and have more TOs and IPs. Considering the thematic concentration requirements, particularly for MDR, this is not surprising.

**Table 6: Typology – category region (SUD and non-SUD ITI)**

	MDR	TR	LDR
Comprehensiveness of strategy	0.68	0.68	0.74
Delegation score	0.45	0.46	0.40
Median population	115,757	54,036	109,000
Proportion of strategies that cover NUTS 3 region or larger	36%	35%	33%
New strategies	24%	16%	59%
New institutions	11%	13%	29%
Median level of ESIF funding (in € million)	€ 7.2	€ 9.8	€ 35.5
Proportion of strategies that are Multi-fund	41%	32%	54%
TO targeted (> 50% of strategies include TO)	TO4, TO6, TO9	TO4, TO6, TO9	TO4, TO6, TO9, T10
Median number of IPs per strategy	4	4	7

Table 7 shows the key differences between strategies implemented in different sizes of cities. The results relate to the actual size of the city rather than the population covered by the strategy (e.g. those strategies that cover neighbourhoods are considered as part of a whole city). Key findings here are that smaller cities more often develop new strategies, indicating that many of the larger urban centres already had integrated place-based strategies, and demonstrating the added value in smaller urban areas.

Less surprising is that larger cities have a higher delegation score, reflecting their greater autonomy compared to medium and small cities. New institutions are more often



established in larger centres, possibly linked to the need to create institutions that cover strategies that cross administrative boundaries. Evidently, strategies in larger cities also cover larger populations, are larger regions in terms of NUTS classification, and command larger budgets. In terms of the level of thematic integration, there is no difference between the different sizes of cities. However, larger cities have significantly more multi-fund strategies when compared to smaller and to a lesser extent medium-sized cities.

**Table 7: Typology – Size of city (SUD only)**

	<b>Small city &lt; 100,000</b>	<b>Medium city 100,000 – 500,000</b>	<b>Large city &gt; 500,000</b>
Comprehensiveness of strategy	0.75	0.72	0.70
Delegation score	0.45	0.43	0.50
Median population	53,910	187,000	905,000
Proportion of strategies that cover NUTS 3 region or larger	24%	27%	51%
New strategies	38%	42%	29%
New institution	18%	18%	29%
Median level of ESIF funding (in € million)	€ 9.6	€ 18.3	€ 39.3
Proportion of strategies that are Multi-fund	35%	44%	65%
TO targeted (> 50% of strategies include TO)	TO4, TO6, TO9	TO4, TO6, TO9	TO4, TO6, TO9
Median number of IPs per strategy	5	5	6

### 6.2.2 Implementation mechanism typology

The choice of implementation mechanism is in almost all cases taken at the Member State level, often in consultation with regional and urban actors. The decision to implement SUD by PrAxis can be taken for a number of reasons:

- it can be regarded as the 'simplest' option in terms of administrative burden, and this can be attractive particularly for smaller programmes;
- it offers continuity with existing approaches in previous programme periods where OPs already included PrAxis that targeted urban challenges, and as such local stakeholders are familiar with this type of approach;
- if multi-fund OPs exist, there is less incentive to use ITI, as funds can already be combined in strategies; and
- the PrAxis was also considered as the default option, as ITI was considered too complex and insufficient information was available during the early stages of implementation.

As mentioned in section 4.1.1, the reason for implementing SUD through an OP can be twofold. First, in cases where an OP already covers a city, it was considered logical to designate the whole OP as SUD (Brussels, Prague, Stockholm). However, not all OPs that cover an entire city or city-region have chosen to designate the whole OP as SUD (e.g. in Austria, the OP for Vienna has only allocated a PrAxis to SUD, and also in Berlin not all of

the OP is considered to contribute to Article 7). Second, the case of the national OP that covers several metropolitan areas in Italy is unique and originates from a desire to align European funding to recent reforms in relation to the status of metropolitan areas.

The reasons for Member States to implement SUD by ITI are varied. One of the main drivers is the ability to combine funding from different PrAxis and funds. As such, it is regarded by some as being more flexible and more responsive to specific territorial needs (e.g. Liepaja). Second, the ITI offers a framework in which umbrella organisations that bring together local administrations in a functional urban area can be organised. This appears to have been one of the main reasons for selecting ITI as an implementation mechanism in Eastern European countries where such cooperative structures are less developed when compared to Western Europe. The ITI instrument can also afford greater visibility to a strategy (e.g. CZ and PL), but this is not always the case; for example, in the UK and NL, ITI is purely a technical instrument and is not mentioned or explained in the strategies.

Non-SUD ITI strategies are being implemented in 12 Member States. However, the decision to use non-SUD ITI strategies is based on different rationales.

- In some Member States, the approach seems to have been introduced to complete national coverage for integrated place-based approaches (e.g. Slovakia, Portugal and Lithuania) and ensure that all territories are able to benefit from these measures.
- In other Member States, non-SUD ITI strategies are targeted at specific territories that have a strong identity (for example Cornwall and the Isles of Scilly) or where there are specific structural challenges (Limburg).
- Support for one non-SUD ITI strategy can also lead to demands from other territories (e.g. Belgium).
- The approach can also support a domestic national policy/strategy (Aree Interne strategy in Italy or Azul strategy in Spain).
- In a limited number of cases, non-SUD ITI strategies also cover urban areas (PL, PT). In Poland, this approach offers smaller urban centres that are not included in the SUD approach a way to develop strategies. In these cases, the requirement of delegation of responsibilities seems to have been the main reason to include them in the SUD approach, but another factor may be the ability to limit ring-fenced funding where these can be negotiated outside the 'common' SUD approach. In Portugal, non-SUD ITI strategies provide complete geographical coverage of the country based on NUTS 3 regions; as Porto and Lisbon constitute a NUTS 3 region, they also have a non-SUD ITI strategy which despite the urban character of the territory does not contribute to Portugal's Article 7 contribution. The municipalities of Lisbon and Porto (i.e. below NUTS 3 level) have separate strategies that are part of the country's NUTS 3 allocations.

Table 8 compares the different implementation mechanisms for integrated-place-based strategies; for SUD OP, PrAxis and ITI; and for non-SUD ITI. The typology explains some of the underlying differences between implementation approaches.

The main implementation mechanisms for SUD are PrAxis and ITI. There are relatively few strategies that have dedicated OPs, and it is therefore difficult to make a meaningful comparison. However, **OP strategies tend to cover large cities** and therefore are more often **based on pre-existing strategies**, as these cities often have experience in developing integrated place-based strategies. They are also more likely to cover a whole or multiple NUTS 3 regions rather than a part of a NUTS 3 region. Strategies implemented through an OP structure also include a relatively high number of TOs and IPs.

There is a high level of consistency between SUD strategies that are implemented by PrAxis and ITI. However, there are some important differences.



- Geographically, **areas with larger and more densely populated areas more often utilise the ITI mechanisms** (ITI strategies tend more often to cover part of a NUTS 3 region rather than a whole NUTS 3 region). ITI strategies are also more often utilised in territories that are considered functional urban areas.
- Thematically, ITI strategies **include more investment priorities and thematic objectives** as well as being more often multi-fund. This evidence suggests that ITI is particularly well suited to integrate different themes and supports the idea that its ability to integrate different policy areas into a single strategy is a key driver for Member States to select ITI as an implementation mechanism. One important related finding is that high-level integration is predominantly achieved in LDR regions, which on average include 11 IPs for ITI strategies (ten in TR and six MDR with ITI strategies) compared to five IPs for strategies implemented by PrAxis in LDR.
- In terms of Governance, **SUD ITI strategies demonstrate slightly higher delegation scores than PrAxis strategies**. The facts that a higher proportion of strategies target FUAs and more 'new institutions' are being created support findings that Member States are incentivised to utilise the ITI tool when local collaborative structures have not yet been established.
- In terms of knowledge and capacity-building, **both ITI and PrAxis strategies have led to substantial numbers of 'new' strategies. However, ITI strategies have a slightly higher proportion of new strategies**. One explanation is that ITI is more often used in LDR where there is less experience with integrated strategies. Also, the 'newness' of the instrument provides a basis for the formulation of new strategies. On the other hand, it is worth highlighting that ITI can be a useful mechanism to implement already existing strategies and that PrAxis strategies provide a basis for new approaches.

**Table 8 : Typology – Implementation mechanisms**

	<b>OP*</b>	<b>PrAxis</b>	<b>ITI</b>	<b>Non-SUD ITI</b>
Comprehensiveness of strategy	0.75	0.75	0.66	0.61
Delegation score	0.39	0.44	0.48	0.35
Median population	1,619,500	69,610	195,235	154,539
Proportion of strategies that cover NUTS 3 region or larger	100%	35%	20%	55%
New strategies	0%	35%	48%	42%
New institutions	17%	17%	26%	17%
Median level of ESIF funding (in € million)	€ 62.0	€ 11.3	€ 39.1	€ 39.6
Proportion of strategies that are Multi-fund	33%	27%	72%	74%
TO targeted (> 50% of strategies include TO)	TO2, TO4, TO9	TO4, TO6, TO9	TO4, TO6, TO9	TO2, TO4, TO6, TO8, TO9, TO10
Median number of IPs per strategy	9	4	7	8

\* Only six SUD strategies are delivered via OP; therefore, the numbers in this column are not statistically significant and should be considered indicative only.

Non-SUD ITI strategies have lower comprehensiveness scores than SUD strategies. One potential explanation is that there are guidance documents for SUD strategies that highlight the key elements of strategies, but no such guidance is available for non-SUD

ITI strategies. Unsurprisingly, SUD ITI strategies have a higher delegation score than non-SUD ITI strategies, suggesting that local actors have more responsibility for the implementation of SUD strategies. A large proportion of non-SUD ITI strategies are new. A greater proportion of non-SUD ITI strategies cover larger regions in terms of NUTS size. Non-SUD ITI strategies tend to be multi-fund and on average include a high number of TOs and IPs.





## 7. OVERALL ASSESSMENT AND POLICY RECOMMENDATIONS

This section provides an overall assessment of the findings from the projects and how they link to the overarching EU agenda. The study had the following objectives:

- to collect all the relevant individual urban and territorial strategies that have been developed in accordance with the new territorial provisions;
- to establish a database of the strategies with comparable factual information based on the above;
- to identify good practice in the use of the new territorial provisions based on an in-depth analysis of a sample of 50 strategies;
- to analyse differences and similarities among the set-up and implementation of the 50 urban and territorial strategies and identify factors that explain them; and
- to outline a methodology for measuring the effectiveness of these new provisions in the coming years (separate report).

The introduction of integrated place-based approaches in the 2014-20 period was rooted in the concept of place-based development and a drive to develop integrated strategies that would lead to a more effective use of development funds. Recognising the varied nature of the development challenges, the regulation allowed for considerable flexibility and variation in terms of the implementation of the approach.

The study identified 1034 strategies. It distinguishes between SUD and non-SUD strategies.

- SUD strategies are implemented as part of Article 7 of the ESIF regulation and are obligatory for all Member States. They can be implemented by Operational Programme, priority axis or integrated territorial investment. In total, 879 SUD strategies were identified.
- Non-SUD ITI strategies do not have to adhere to the Article 7 requirements and are not obligatory. Twelve Member States have opted to implement a total of 153 of these strategies. While SUD strategies are always implemented in an urban context (albeit very varied), non-SUD ITI strategies are usually regional but can also cover urban areas.

As important caveat to the information gathered is the comparable, systematic and comprehensive information with regard to ESIF-funded strategies. Urban and territorial strategies are not always publicly available, and territorial, financial and thematic data are not collected at the strategic level, all of which makes even basic monitoring at the European level challenging.

The following sections begin with the overall conclusions of the study before focusing on implementation mechanisms, geographical, thematic, knowledge and governance dimensions, funding mechanisms and measuring effectiveness. This is followed by the main policy recommendations, recommendations for future research, and the importance of the findings in the post-2020 reform debate.

### 7.1 General conclusions

This study's assessment of the integrated place-based approaches in the 2014-20 period provides the following general conclusions.

First, **the urban and territorial strategies are a clear demonstration of Cohesion policy promoting the implementation of place-based approaches to regional and urban development** as envisaged in the 2013 reform of the policy. The rationale for these tools is based on the Treaty objectives of territorial (but also economic and social) cohesion. These tools are also grounded in the recommendations from the Barca

Report,<sup>54</sup> which provided the analytical conceptualisation of the place-based policy approach and encouraged place-specific packages of interventions that were designed in line with stakeholders' views but also meeting overall EU objectives. They also provide a practical demonstration of more recent proposals for greater territorial specificity in the implementation of Cohesion policy.<sup>55</sup>

The study shows significant uptake of integrated place-based strategies in 2014-2020, mainly in the form of SUD, across most Member States. The strategies are being implemented in all types of region (MDR, TR, LDR), and in all territorial contexts (regional, local, urban, rural, urban-rural), providing a laboratory of how place-based packages of interventions can work in different circumstances.

Second, **the strategies represent integrated development – they are multi-sectoral, multi-partner and (in a large number of cases) multi-fund.** They encourage vertical and horizontal cooperation, territorial integration and knowledge-sharing. While there is a long-standing and on-going discussion at EU level on how to promote better cooperation and integration across policy sectors and between authorities, the initial findings provide evidence – to substantiate previous studies – that the integration of interventions is often most practical and achievable at local level.

Third, **the research has found a significant level of institutional innovation in regional and urban development.** In around 40 percent of cases, the strategies were completely new, and a similar proportion involved innovation or adaptation of existing strategies. New relationships or operating methods are also evident; the process of strategy development and implementation has encouraged or required new ways of working.

This is partly associated with integration and cooperation, but it is most evident in the spatial scales of intervention. EU funding is being used to implement Cohesion policy across different geographies (neighbourhood, functional, urban-rural, etc.). This reflects a wider trend in countries such as France, the Netherlands, Sweden and the United Kingdom, where national regional and other territorial policies have increasingly been applied at different spatial scales, with greater alignment to the geography of specific development problems.<sup>56</sup>

Fourth, **there are interesting examples of integrated place-based strategy funding being used for cooperation and networks among different centres/areas.** One of the criticisms of traditional approaches to regional and urban development is that programme/strategy design is inward-looking, focusing on interventions within the borders of the administrative units that manage the programme. The challenge is how to promote more network-based policy interventions that encourage localities, towns and cities to collaborate and exploit synergies. The use of EU-integrated territorial development support to assist networks is, still, limited (the Six Cities strategy in Finland being the most prominent), but the experience will provide examples involving cooperation between urban centres and areas that provide lessons for new forms of policy support, especially with respect to innovation.

**Lastly, flexibility is one of the main characteristics of the integrated place-based approaches** introduced in the 2014-20 period. Strategies are implemented in a diverse range of territories, using different mechanisms, or using the same mechanisms in different ways. This flexibility is in line with the rationale of place-based policy and

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<sup>54</sup> Barca (2009) *op. cit.*

<sup>55</sup> Bachtler J, Oliviera Martins, Woster P and Zuber P (2017) *op. cit.*; European Commission (2017a) *op. cit.* European Commission (2017b) *op. cit.*; Iammarino S, Rodriguez-Pose A and Storper M (2017) *op. cit.*

<sup>56</sup> Davies S, Ferry M and Vironen H (2016) *Regional Policy in Europe Targeting Growth and Inequality*, European Policy Research Paper, European Policies Research Centre, Glasgow.

reflects the much-advocated need to move away from 'one-size-fits all' implementation of Cohesion policy.

## 7.2 Implementation mechanisms – new tools for new approaches

The launch of the 2014-20 programme period has been time-consuming for all Member States, particularly because of the new regulatory requirements. Nevertheless, **significant progress has been made in the development, negotiation and approval of urban and territorial strategies**. By August 2017, almost 80 percent of the 879 SUD strategies identified by the study had been approved. In 19 Member States, all of the strategies had been approved (AT, BE, BG, CY, CZ, EE, ES, FI, HU, IE, LT, LU, LV, NL, PL, PT, SE, SI and SK) and in seven further Member States (EL, DE, DK, FR, HR, IT, UK) strategies had either been partially approved or the state of the approval process was unclear. In only two Member States (MT, RO) was it evident that strategies had not yet been approved.

The pace of approval was similar for non-SUD strategies. Of the 153 non-SUD ITI strategies identified in 12 Member States, 83 percent were approved by August 2017. The remaining strategies to be approved were all in Italy and Greece.

Delays in approval were often due to domestic difficulties in securing political commitment or capacity constraints at the local level in dealing with the administrative requirements in developing strategies. A further factor is the use of competitive selection procedures: while most strategies and territories were designated during the PA or OP drafting phase, nine percent of SUD strategies and one percent of non-SUD ITI strategies were selected using a competitive selection process which inevitably took place over an extended time-period.

**The most common implementation mechanism for SUD is a multi-thematic priority axis** used by 71 percent of strategies, with most of the remainder (28 percent) using ITI. A small proportion of strategies use an OP as an implementation mechanism (one percent). However, about half of the total budget for Article 7 strategies (€14.2 billion) has been allocated to ITI. The evidence of the mapped strategies demonstrates that the average budget of strategies implemented by ITI is more than three times larger than those implemented by PrAxis.

A striking finding of the study is that **the uptake of CLLD is rarely used within SUD or non-SUD ITI strategies (five percent for SUD and 28 percent for non-SUD ITI)**. However, further evidence suggests there are only a handful of examples where CLLD is fully integrated into the SUD or non-SUD ITI strategy; in the majority of cases, CLLD is loosely linked to the strategy. The study only assesses whether CLLD is integrated in the place-based approach. However, case study research suggests three reasons why uptake is low: lack of capacity at the local level; perceived complexity and increased administrative burden associated with integrating CLLD in SUD strategies; and lack of relevance, with similar instruments already in place.

Where CLLD is integrated in the wider integrated place-based approach, it appears to have the potential for developing innovative projects as well encouraging processes of local democratic involvement. In these cases, local action groups are given opportunities to contribute to overarching strategy objectives. In some cases, there are links to CLLD strategies, but these are limited and often tenuous. Non-SUD ITI strategies do report some links with rural CLLD strategies, but the integration of CLLD in ITI strategies also appears limited.

## 7.3 Geography: new spatial scales for intervention

One field where **strategies are adding value is in the use of functional geographical areas that cross administrative boundaries** to establish more integrated approaches to regional/urban development. The research findings demonstrate the varied ways in which SUD strategies and non-SUD ITI strategies are being implemented across the EU28.

First, **there is huge variation in population of urban and regional areas covered by strategies.** They range from very small (sometimes fewer than 10,000 inhabitants) to metropolitan areas of over five million inhabitants; over 80 percent are, though, in the range 100,000–1 million. The results suggest that it is among strategies with a large population that there are clear opportunities for territorial integration. However, smaller and medium-sized urban centres can also benefit, as integrated place-based approaches offer them an opportunity to develop stronger links across and within territories.

**The geographical scope of strategies includes functional urban areas, cities that are covered by a single administrative unit or neighbourhoods.** Strategies that cover functional urban areas in particular offer good examples of advances in territorial integration. This includes both monocentric and polycentric urban structures. In Poland and the Czech Republic, the approach has established new collaborative structures (see Section 7.6) between core cities and their immediate hinterland to tackle development challenges in an integrated matter.

The findings show that SUD strategies implemented by ITI more often cover functional urban areas compared to those implemented by multi-thematic priority axes. The ITI mechanism has also led to innovation such as the creation or further enhancement of city networks (for example, in Finland). The non-SUD ITI strategies often cover more rural areas in terms of territorial scope, albeit in most cases they are based around rural urban centres.

The inclusion of rural-urban linkages as a theme in a large number of SUD and non-SUD ITI strategies suggests that the approach offers considerable scope to strengthen the integration between urban centres and their hinterland. However, the extent to which this leads to the implementation of practical measures for rural-urban linkages is not always clear.

#### **7.4 Thematic dimension: effective integration of TOs, though some tensions**

**A further distinctive feature of the strategies involves the integration of themes/sectors to establish a more integrated approach to regional/urban development.** Thematically, the SUD strategies contribute to all TOs and a wide variety of IPs from mainly ERDF as well as ESF. However, the most commonly used TOs for SUD strategies are TO4, TO6 and TO9 and for non-SUD ITI strategies TO2, TO4, TO6, TO8, TO9 and TO10.

Among most Member States, the average number of IPs for SUD strategies lies between two and ten. SUD strategies implemented through ITI and non-SUD ITI strategies both tend to include more investment priorities compared to strategies implemented by priority axis or OP. This seems to support the objective of ITI providing the framework for a more thematically integrated approach.

As has been found elsewhere in the implementation of Cohesion policy in 2014-20,<sup>57</sup> thematic concentration has promoted greater focus and critical mass in the allocation of funding, but balancing top-down prescription of TOs and local development needs has not always been straightforward. This also applies to integrated place-based strategies.

**There is evidence, in some cases, of a tension between the thematic concentration required in the 2014-20 programme period and territorial integrated approaches.** According to some local actors, the choices that are made at the programme level when developing the priority axes are informed by the thematic concentration principle. A narrowing of the thematic focus as is noted in some of the

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<sup>57</sup> Bachtler J, Mendez C and Wishlade F (2016) *Evolution or Revolution? Exploring New Ideas for Cohesion Policy 2020+*, University of Strathclyde, Glasgow; Bachtler J, Mendez C and Polverari L (2016) *Ideas and Options for Cohesion Policy Post-2020*, *IQ-Net Thematic Paper* 38(2), European Policies Research Centre, University of Strathclyde, Glasgow.



Czech strategies or the exclusion of certain themes as mentioned in some strategies in Greece and Romania is perceived to constrain the development and implementation of strategies. The same applies to the development of a coherent intervention logic. In other cases, priority axes may include a limited number of themes (in some instances only two). Strategies can subsequently be forced to adopt priorities that are not locally relevant. If the challenges and objectives of the strategies are different from those that are programmed in the priority axes, it can also have an impact on the ability of strategies to contribute to programme-level indicators which may have consequences in relation to the performance reserve.

## **7.5 Knowledge: innovative practice but capacity challenges**

**The introduction of integrated place-based strategies has in most cases led to the development of new strategies or major adaptation of existing strategies.** Only 12 percent of SUD and 20 percent of non-SUD strategies involved the unchanged implementation of pre-existing strategies.

The level of innovation and adaptation has the potential for driving significant change in regional development under both EU-funded and domestic interventions. This applies particularly to Less-Developed Regions. These regions often have limited experience in implementing integrated place-based approaches and the new provisions (combined with large budgets) have provided the opportunity for new and comprehensive strategies. In Member States where budgets are smaller and which have an established tradition of developing integrated strategies, the added value is potentially less, but even in these countries (and MDR), the SUD requirements provide an opportunity to integrate different ESI funding in existing approaches.

**ITI strategies (both SUD and non-SUD) are more commonly developed as new strategies.** This is not surprising, as the choice of ITI as an implementation mechanism indicates the aim of a more innovative and integrated approach to territorial development. The qualitative evidence from the strategy fiches suggests that in many cases several existing sectoral strategies have been used as a basis for new integrated place-based strategies.

The use of consultation as part of the strategy design process also depends on previous experience; new strategies more commonly undertook greater consultation. Some strategies only consulted the direct, expert stakeholder community, whereas others opted for a full public consultation. **One important finding is that the involvement of citizens in the design of the strategies has in most cases been limited or less successful.**

The strategy design process faced three sets of challenges to varying degrees:

- **information** in relation to late approval of EU guidelines and development of domestic guidelines;
- **coordination** of the design and approval process, particularly if a large number of partners were involved; and
- **capacity** at the local and regional levels in terms of lack of experience in implementing integrated strategies as well as in some cases lack of expertise at the MA level in terms of developing integrated strategies.

One open question is the sustainability of new practices. Although the introduction of integrated place-based approaches has led to new strategies, practices and ways of working, the long-term sustainability of the strategies is unclear, especially where there is heavy reliance on European funding.

## **7.6 Governance: collaborative management**

**As noted above, the strategies have also involved innovation in governance through multi-level collaboration and new/strengthened vertical and horizontal**

**relationships between actors** to manage a more integrated approach to regional/urban development.

Many of the tasks in relation to implementation are shared between the local (or, in case of non-SUD ITI, regional) authorities. The case studies also suggest a collaborative approach to project selection and assessment. Collaboration in management appears to be driven by the objective of simplifying implementation (where there is relatively limited funding linked to the strategies) and the need to share knowledge where there is a lack of capacity and know-how at the local level (particularly in cases where no technical assistance has been made available).

As a consequence of the design and implementation of SUD and non-SUD ITI strategies, new bodies have emerged in a number of Member States, or existing bodies have taken on new roles. These bodies can either be responsible for facilitating collaboration between different localities, take on responsibilities for management and implementation, or have advisory capacities. The institutionalisation of, in particular, collaborative structures that bring together localities provides strong support for territorial integration.

### **7.7 Funding mechanisms: mainly non-repayable grants but some FIs**

Funding allocations differ according to the ESIF allocation Member States receive, as well as the level of dispersion across cities. In most cases, ERDF funding provides the bulk of funding along with ESF. However, in some Member States the Cohesion Fund also makes significant contributions. Yet, initial findings from the case studies suggest that a multi-fund approach is challenging because the differences in implementation practices between the funds. SUD strategies using the ITI mechanism are much more likely to be multi-fund than those implemented by multi-thematic axis.

The most commonly used funding mechanism for implementation is non-repayable grants, but there are a limited number of cases where strategies include financial instruments. A small proportion of strategies provide details on potential synergies with other European funding streams, but in most cases they appear not to have been considered in the design process.

### **7.8 Measuring effectiveness<sup>58</sup>**

Measuring effectiveness, with a particular focus on meeting the obligations of the results orientation, is necessary to ensure transparency, efficiency and effectiveness, and also to promote learning. The study highlights ways in which the results and effectiveness of the strategies can be assessed and understood in line with requirements for result orientation as part of the Better Regulation framework.<sup>59</sup>

The results demonstrate that monitoring takes place at a number of levels. First, the strategies have to provide strong linkages with the OP monitoring systems in order to ensure that the results can be captured as part of specific OP targets. However, regional and urban authorities are developing monitoring arrangements to ensure that the progress of the strategy can be assessed not just in terms of the contribution to programme targets, but in relation to the territory covered. Nevertheless, although strategies may be able to capture some of their results individually, capturing the results of the strategies at an aggregate level is far more complex, given the diverse nature and context in which the strategies are implemented.

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<sup>58</sup> A separate report on 'methodology for measuring the effectiveness of territorial provisions' (Ferry, McMaster and van der Zwet (2017) *op. cit.*) develops comprehensive options for measuring methodologies.

<sup>59</sup> CEC (2017) *Better regulation: why and how*, [https://ec.europa.eu/info/law/law-making-process/better-regulation-why-and-how\\_en](https://ec.europa.eu/info/law/law-making-process/better-regulation-why-and-how_en)

Based on these findings, there is a clear need for a robust evaluation framework. The value and importance of ensuring an accurate understanding of results is clear. However, in order to achieve an accurate understanding, it is important to note the specific issues, and in some cases challenges, involved in measuring the effectiveness of integrated place-based approaches. For example, the strategies are embedded in multiple, more dominant and complexly interwoven determinants of economic growth. The response of implementing authorities to these measurement challenges is influenced by a range of issues: the budget associated with the strategy, its thematic content, its relationship with other ESIF interventions and domestic initiatives, existing capacities for monitoring and evaluation, etc.

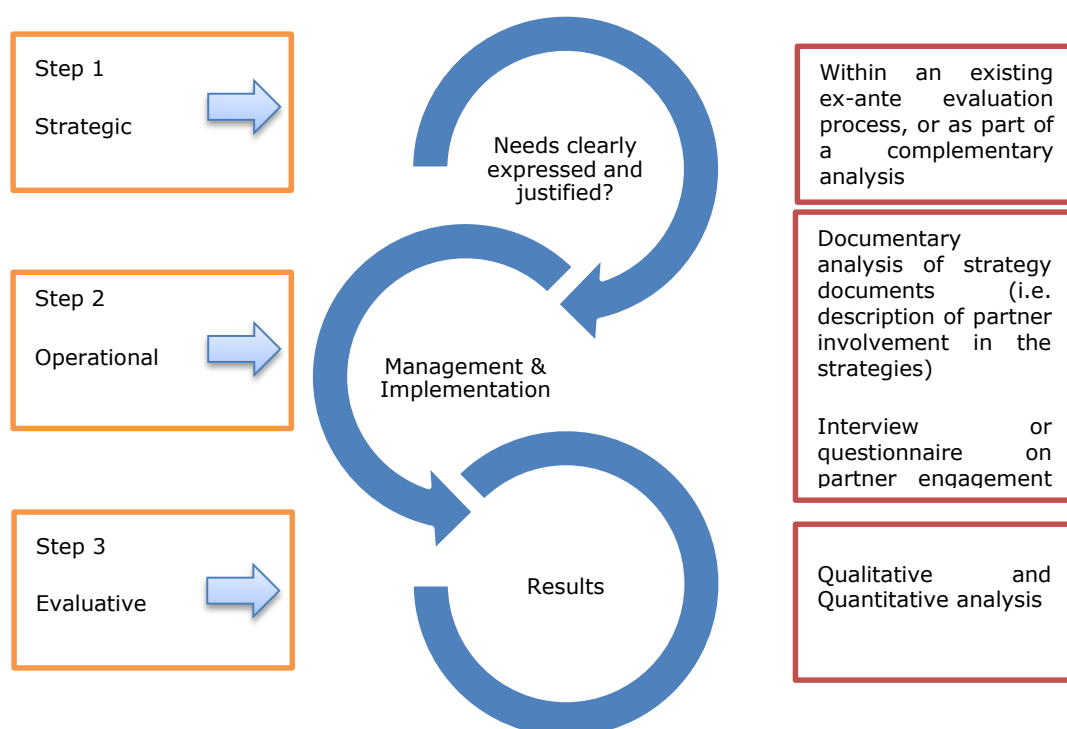
Depending on these factors, implementing authorities can take different approaches to monitoring and evaluation, ranging between relatively 'light touch' and comprehensive arrangements. Drawing on an assessment of the approaches in place, a review of relevant literature, and also the requirements set out in the relevant EC regulations, the methodology for measuring effectiveness report<sup>60</sup> sets out a common framework for an assessment of effectiveness, with three stages and proposals for indicator frameworks and methodologies. However, the report does not propose a single 'approach/application' for the assessment. Based on an analysis of the strategies, and given the vast differences in the scale, scope and approaches of the strategies, it is concluded that while a single overall framework can be applied (see Figure 40), each assessment must be:

- proportional – taking into account the considerable variations in financial resources involved;
- flexible – reflecting the varying characteristics of the strategies, differing geographic scales, thematic content, stages of development, administrative capacities and urban development contexts;
- user-orientated – well-defined in terms of data generation and functions for monitoring and evaluation, tailored to capture a range of qualitative and quantitative knowledge, and taking into account the range of potential audiences; and
- realistic – attentive to what type of knowledge can be generated, given the complexity of the subject and the resources and timescale involved.

With this in mind, as well as meeting the basic criteria set out below, the evaluations and monitoring should reflect the needs and scale of each strategy.

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<sup>60</sup> Ferry, McMaster and van der Zwet (2017) *op. cit.*

**Figure 40: Assessment framework**

## 7.9 Policy recommendations

Turning now to the policy recommendations that flow from the conclusions and the overall analysis in the previous sections, they begin with the recommendations that have a direct impact on the regulatory framework for the post-2020 period. This is followed by those that relate to the programming process, divided into recommendations that primarily concern the European Commission and those that mainly concern programming at the level of Member States and managing authorities, as well as implementation. Lastly, there are reflections relating to the strategic discussions concerning the post-2020 debate.

### 7.9.1 Regulatory recommendations

There are several regulatory changes that could improve the policy framework and align well with the flexibility principle in relation to integrated place-based approaches, but also in terms of coherence with wider European debates on cohesion.

- Notwithstanding the significant progress towards integrated territorial development initiated by the 2013 reforms, the study shows that a major challenge has been the perceived administrative complexity, reflected in the delays in developing guidance at EU and national levels, and the late submission, approval and launch of new initiatives, as well as problems with capacity at local level. Future regulatory frameworks should **maximise the scope for applying the principles of proportionality and differentiation**, notably with respect to governance and reporting requirements. The criteria for differentiated approaches should first and foremost be linked to the size of budgetary allocations and the

size of urban and regional areas, and take into account measures of experience and capacity.<sup>61</sup>

- In order to further embed integrated place-based approaches across the EU, the post-2020 regulatory framework should include **conditionalities for the long-term sustainability and legacy of strategies** at the local level. The uncertainty noted earlier about the sustainability of new strategies requires political commitments and institutional arrangements to ensure that strategies and practices are embedded – especially the allocation of responsibilities and/or delegation of the requisite powers and finance to the local or regional levels.
- The post-2020 framework should take account of the advocacy by managing authorities, noted in the study, for **more flexibility in terms of thematic concentration** in order to avoid a situation in which local strategies cannot use fully integrated approaches. One possible improvement could be a provision that allows the development of a dedicated priority axis for integrated place-based approaches, in particular implemented by ITI. This priority axis could consist of multiple thematic objectives and could provide more flexibility than the current approach of drawing from multiple priority axes.
- The post-2020 framework for the performance of Cohesion policy should consider **improved indicators for measuring the specific added value of strategies**. For example, the qualitative evidence from the study suggests that many strategies effectively contribute to the aims of TO11, as they make a positive contribution to the development of governance frameworks. However, strategies cannot report their contribution, as in most cases TO11 is not included in the linked OP. A new framework should provide a more flexible approach in which strategies would be able to potentially report these contributions to investment priorities such as strengthening institutional capacity and the efficiency of public administrations and public services, even if the programmes from which they draw funding do not formally include them in any priority axis.<sup>62</sup>
- The study has found that the integration of CLLD in the SUD and non-SUD ITI strategies has been very limited, although a small number of cases demonstrate the potential to provide added value in terms of introducing new approaches and including citizens in strategy development. The evidence suggests that the reasons for the low levels of integration include perceived complexity but also competition with already existing approaches. There is a need for a **reassessment of how CLLD can be more effectively integrated in the strategies**. The use of CLLD should be promoted across all mechanisms. The Commission should explore which incentives can be introduced to facilitate the use of CLLD in relation to overarching integrated place-based approaches (e.g. lower administrative burden, lower co-financing rates, greater linkages to existing approaches).
- The study has noted the time taken for the development, negotiation and approval of strategies. Consideration should be given to **introducing a deadline for the approval of SUD strategies to ensure timely implementation**. This would need to take account of the context in which strategies are implemented. For example, in Member States with large allocations, it is more pertinent that strategies are approved at an early stage in the programme cycle in order that N+3 can be ensured; in Member States with lower allocations, absorption challenges are more likely to be less pertinent and therefore there is less urgency

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<sup>61</sup> Bachtler J, Mendez C and Miller S (2017) Rethinking shared management for Cohesion policy post-2020: Criteria for deciding differentiation in the management of ESIF, *European Policy Research Paper* No. 96, European Policies Research Centre, University of Strathclyde, Glasgow.

<sup>62</sup> Also see: Ferry, McMaster and van der Zwet (2017) *op. cit.*

in terms of achieving strategy approval at an early stage of the programme period.

### 7.9.2 Programming recommendations

Although overall programming of integrated place-based approaches has progressed successfully, the study has found considerable variation across Member States. The following recommendations are suggested in relation to the approach to programming taken by the European Commission.

- Integrated place-based approaches through the strategies examined in this study have demonstrated considerable potential added value in terms of the integration of TOs and funds at the different spatial scales. Subject to evaluation of implementation and outcomes, **the initial experience indicates that the Commission should consider applying the principles of a place-based approach to a larger part of the post-2020 programmes and interventions.** In principle, ITI as an implementation mechanism appears to have the potential for achieving good results in terms of thematic and fund integration, ITI also performs comparatively well in terms of targeting FUA and therefore contributing to both territorial and governance integration. The ITI approach has led to some innovative approaches (e.g. the city network approach in Finland).

The Commission should therefore promote and animate the use of ITI in all relevant circumstances. In particular, it should promote the use of integrated place-based approaches for functional urban areas. In this context, the ITI mechanism seems also particularly suitable for crossing administrative boundaries. The option to use ITI to develop urban networks between cities should be further explored. This can potentially be applied in the transnational context and support the partnerships that are implemented as part of the EU urban agenda.

- The findings of the study show that **the European Commission has an important role as a knowledge broker with regard to the implementation of integrated place-based approaches.** The formulation of formal guidance is problematic, as it is likely to be considered too restrictive and reduce the much-valued flexibility in terms of implementation. The support should therefore focus on identification and dissemination of good-practice examples and the range of options that could suit different institutional contexts, objectives and budget allocations. This applies to non-SUD strategies in particular, as they are less comprehensive and often have an intervention logic that is less explicit. Other forms of support could include more peer-to-peer learning and knowledge-transfer activities. More specifically, such activities could focus on:
  - development of intervention logic within an urban context;
  - integration of thematic policy areas;
  - use of CLLD in relation to integrated place-based approaches;
  - use of financial instruments;
  - evaluation approaches;
  - integration of different funding streams (ESIF and non-ESIF); and
  - development of indicators that measure results at the territorial scale.
- Improving capacity, especially at the local level, is essential for ensuring effective implementation in both the current period and (more importantly, given the time taken for administrative capacity-building) the post-2020 period. The Commission



has already provided considerable support and capacity-building activities through the Urban Development Network. However, there are gaps, especially in the support provided to non-SUD ITI strategies. Also, there is scope to facilitate the better transfer of knowledge and skills from countries/urban areas with more experience to those for which integrated place-based approaches are new or less familiar. These exchanges take place within the context of UDN but should be more structured and targeted.

- As in other areas of EU policy, **better institutional coordination among the Commission services is needed.** While there is already considerable coordination between DGs at the European level, there remain issues in terms of pursuing a more joined-up approach for different funding streams and integrating non-ESIF funding (Horizon 2020, TEN, LIFE, COSME, etc.) into the strategies.

There are also programming issues that specifically relate to the Member State level.

- **Political commitment plays an important role** in terms of driving and designing the strategies. This particularly relates to issues of coordination between different levels of government and across different government departments. Member States should commit, or be subject to conditionalities, to ensure that appropriate institutions are in place to facilitate coordination.
- This study is not an evaluation of strategies, but the research has noted deficits in the development of strategies, such as lack of specific focus in identifying development needs and problems, insufficient justification of objectives and their intervention logic, and the scope for better integration. In these cases, **Member State authorities should provide support and specific guidance** to ensure more consistency in the design of strategies. They may also deliberate on whether a more robust ex-ante assessment of the strategies is appropriate (depending on resources, budget, experience, etc.).
- In most cases, strategies provide clear links to domestic policies at local, regional and national levels. However, the level of integration between ESIF and domestic approaches can vary considerably. **Member States should align strategies to domestic policies** as much as possible in order to ensure synergies.

### 7.9.3 Implementation

In the 2014-20 period, the Commission and Member States clearly need to support the development and approval process in cases where there have been delays, as well as provide close monitoring during implementation, as delays will impact on issues such as N+3. Looking to the future, there are a number of ways in which implementation could be strengthened.

- The introduction of integrated place-based approaches offers opportunities to more fully engage citizens in the planning process and give them a stake in the implementation of European funding. However, the study has shown that resource challenges and the technical nature of many strategies have limited the scope for influence. If citizens are to make a meaningful contribution to the design and implementation of the strategies, **national and sub-national authorities need to prioritise support for local and community leadership and involvement in CLLD initiatives** through techniques such as consultative planning, citizens' juries, participatory budgeting, consensus conferences and open fora. Technical assistance should be used to build local capacity and expertise.
- At a more basic level, the content of the strategies should be accessible to citizens. This means that **strategy documents should be available publicly** and should be formulated in such a way that they can be understood by citizens.

- One of the key constraints facing the research for this study is variation in the availability, accessibility and utility of data. In order to monitor strategies effectively, **Member States and the Commission as well as urban and regional authorities need to invest in data.** As a minimum, all authorities should have access to key strategy documents and agreements. At the EU level, there should also be some basic data collection on individual strategies that are implemented as part of the SUD and non-SUD ITI requirements (funding, population, territory, themes, etc.). However, it is also necessary to invest in data that can capture the results of the strategies at the territorial scale.
- **Evaluation should become an integral part of strategy implementation.** Few strategies contain explicit evaluation plans. Authorities responsible for integrated place-based strategies need to consider different evaluation frameworks across funds (both European and domestic).

### 7.10 Future research

There are a number of areas where the study has identified a need for further research. As it is relatively early days in terms of the development of integrated place-based strategies in the context of ESIF, this study has mainly focused on the design of the strategies. Evidently, as implementation progresses there is a need to further evaluate the effectiveness and efficiency of the strategies and associated governance structures. Member States and managing authorities will in most cases carry out their own evaluation, but a further meta-analysis of strategy implementation would improve our understanding of some of the key issues.

- The introduction of SUD leads to innovations across all different types of urban centres, and arguably in the case of smaller and medium-sized urban centres the added value of the approach is greater, as they often have less experience with integrated approaches. However, one of the findings of this study is that in certain cases where funding is allocated under Article 7 to a comparatively large number of small urban centres – particularly where the overall Member State envelope is also small – the funding can only support a small number of projects. In these cases, strategy development is inevitably limited and can be experienced as burdensome unless it is closely connected to existing funding strategies. Further research should focus on identifying the most effective and efficient territorial scale for the implementation of strategies in terms of size of urban centre but also territorial scope. Mirroring the findings of SUD strategies, the study also finds that non-SUD ITI strategies vary considerably in terms of the size of territory and population. Further analysis should be carried out to understand whether the instrument can be effective and add value at these different territorial scales, and subsequently an assessment can be made on whether there is a need for minimum and maximum thresholds in the regulation.
- There is evidence of thematic integration at the strategy level in terms of the inclusion of IPs from different TOs. However, a more evaluative approach should determine whether strategies can be considered truly integrative and whether this integration is considered more effective. Such research could also begin to understand how further integration at the project level can be achieved and/or whether this is desirable.
- There is significant evidence of new practices and approaches being adopted as part of the introduction of integrated place-based strategies. Particularly in LDR, the innovations appear to establish new strategies and new structures to assist the implementation of strategies. Further research should consider whether and to what extent there is variation across these approaches and link this to questions of effectiveness and efficiency.
- The role of CLLD in integrated place-based approaches remains unclear. Strategy documents make in some cases reference to the potential use of CLLD in relation



to the strategies but the extent to which this is followed up is not yet apparent. Furthermore, the evidence so far, with a few notable exceptions suggests that in most cases the relation between CLLD and the integrated place-based strategy is weak. Hence further research in the use, challenges and opportunities of CLLD in an urban context would be valuable.

### **7.11 The post-2020 reform debate**

The above conclusions and recommendations have specific implications for the use of Cohesion policy in promoting integrated territorial development. In the context of the White Paper on the Future of Europe, and the Reflections Paper on the Future of EU Finances, the initial experience of integrated place-based strategies has wider implications for the future of Cohesion policy.

The evolving debate on the post-2020 MFF suggests that the EU budget may be lower as a result of Brexit, with funding for Cohesion policy potentially experiencing cuts. If so, there is likely to be a need to do 'more with less' and to focus spending. There may also be greater thematic concentration on key EU priorities; in this context, it is notable that strategies are being used particularly in thematic areas such as low carbon, environment, energy efficiency and social inclusion – all areas that are likely to feature as priorities in a post-2020 MFF. There may also be calls for less or much more selective spending in richer countries or MDRs.

Clearly, integrated place-based strategies are only starting to be implemented – and their genesis has not been easy in many cases – but they offer significant potential in terms of added value in the debate on future reforms. Specifically, they have the potential to target development needs and problems, and to design bottom-up responses with the active involvement of local citizens and institutions to ensure that 'no person or region is left behind'. They also have the potential to respond to localised shocks or unexpected developments through integrated packages that provide substance to action plans. However, the design and implementation needs of strategies to be more 'agile and flexible', and to ensure that beneficiaries can access funds and deliver projects quickly, require a significant re-assessment of the regulatory requirements.



## ANNEX 1 – NATIONAL EXPERTS

Member State	Mapping strategies	In-depth case studies
Austria	Mr Stefan Kah (EPRC)	Mr Stefan Kah (EPRC)
Belgium	Dr Arno van der Zwet (EPRC) Mr Timothee Lehuraux (EPRC)	Dr Arno van der Zwet (EPRC)
Bulgaria	Dr Julia Spiridonova (EPRC associate)	Dr Julia Spiridonova (EPRC associate)
Croatia	Mr Ranko Milić (EPRC associate) Mr Marin Udiljak (EPRC associate)	Mr Ranko Milić (EPRC associate) Mr Marin Udiljak (EPRC associate)
Cyprus	Dr Eleftherios Antonopoulos (EPRC associate)	Dr Eleftherios Antonopoulos (EPRC associate)
Czech Republic	Dr Marie Feřtrová (EPRC associate) Dr Lucie Jungwiertova (EPRC associate)	Dr Marie Feřtrová (EPRC associate) Dr Lucie Jungwiertova (EPRC associate)
Germany	Ms Ruth Downes (EPRC associate)	Ms Ruth Downes (EPRC associate) Ms Verena Balz (EPRC associate)
Denmark	Ms Lise Smed Olsen (EPRC associate) Ms Nelli Mikkola (EPRC associate)	Ms Lise Smed Olsen (EPRC associate) Ms Nelli Mikkola (EPRC associate)
Estonia	Mr Ulf Johansson (EPRC associate)	Mr Ulf Johansson (EPRC associate)
Finland	Ms Heidi Vironen (EPRC)	Ms Heidi Vironen (EPRC)
France	Mr Timothee Lehuraux (EPRC)	Mr Timothee Lehuraux (EPRC)
Greece	Dr Eleftherios Antonopoulos (EPRC associate)	Dr Eleftherios Antonopoulos (EPRC associate)
Hungary	Ms Zsuzsanna Kondor (EPRC associate)	Ms Zsuzsanna Kondor (EPRC associate)
Ireland	Dr Irene McMaster (EPRC)	Dr Irene McMaster (EPRC)
Italy	Mr Mattia Casula (EPRC associate) Ms Claudia Gloazzo (EPRC associate)	Dr Laura Polverari (EPRC)
Latvia	Prof. Tatjana Muravska (EPRC associate) Ms Zane Zeibote	Prof. Tatjana Muravska (EPRC associate) Ms Zane Zeibote
Lithuania	Mr Edvinas Bulevičius (EPRC associate)	Mr Edvinas Bulevičius (EPRC associate)
Luxembourg	Mr Timothee Lehuraux (EPRC)	Mr Timothee Lehuraux (EPRC)
Malta	Ms Stephanie Vella (EPRC associate)	Ms Stephanie Vella (EPRC associate)
Netherlands	Dr Arno van der Zwet (EPRC)	Dr Arno van der Zwet (EPRC)
Poland	Ms Sylwia Borkowska-Waszak (EPRC)	Dr Martin Ferry (EPRC)
Portugal	Ms Viktoriya Dozhdeva (EPRC) Prof Eduardo Medeiros (EPRC associate)	Ms Viktoriya Dozhdeva (EPRC)
Romania	Mr Andrea Floria (EPRC associate)	Mr Andrea Floria (EPRC associate)
Slovakia	Mr Vojtech Hrdina (EPRC associate) Mr Filip Polonský (EPRC)	Mr Vojtech Hrdina (EPRC associate) Mr Filip Polonský (EPRC)

	associate)	associate)
Slovenia	Mr Marko Peterlin (EPRC associate)	Mr Marko Peterlin (EPRC associate)
Spain	Mr David Delgado (EPRC associate)	Ms Alba Smeriglio (EPRC)
Sweden	Ms Lise Smed Olsen (EPRC associate) Ms Nelli Mikkola (EPRC associate)	Ms Lise Smed Olsen (EPRC associate) Ms Nelli Mikkola (EPRC associate)
United Kingdom	Mr Stephen Miller (EPRC)	Mr Stephen Miller (EPRC)

## ANNEX 2 – LIST OF STRATEGIES MAPPED

Strategy unique identifier	SUD or non-SUD	Country	Name of strategy (English)
AT-SUD-1	SUD	Austria	Smart City Wien Framework Strategy
BE-ITI-1	non-SUD	Belgium	Limburg
BE-ITI-2	non-SUD	Belgium	de Kempen
BE-ITI-3	non-SUD	Belgium	ITI West Vlaanderen
BE-SUD-1	SUD	Belgium	Ghent
BE-SUD-2	SUD	Belgium	Antwerp
BE-SUD-3	SUD	Belgium	Brussels
BE-SUD-4	SUD	Belgium	Wallonie Picarde
BE-SUD-6	SUD	Belgium	Réseaulux
BE-SUD-8	SUD	Belgium	Coeur du Hainault
BE-SUD-9	SUD	Belgium	GRE Liege
BG-SUD-1	SUD	Bulgaria	IPURD Burgas
BG-SUD-10	SUD	Bulgaria	IPURD Veliko Tarnovo
BG-SUD-11	SUD	Bulgaria	Asenovgrad
BG-SUD-12	SUD	Bulgaria	Blagoevgrad
BG-SUD-14	SUD	Bulgaria	Dobrich
BG-SUD-2	SUD	Bulgaria	IPURD Gabrovo
BG-SUD-20	SUD	Bulgaria	Kyustendil
BG-SUD-22	SUD	Bulgaria	Lovech
BG-SUD-24	SUD	Bulgaria	Pazardjik
BG-SUD-27	SUD	Bulgaria	Pleven
BG-SUD-29	SUD	Bulgaria	Ruse
BG-SUD-3	SUD	Bulgaria	IPURD Gorna Oryahovitsa
BG-SUD-30	SUD	Bulgaria	Shumen
BG-SUD-31	SUD	Bulgaria	Vratza
BG-SUD-32	SUD	Bulgaria	Sliven
BG-SUD-33	SUD	Bulgaria	Smolian
BG-SUD-34	SUD	Bulgaria	Sofia
BG-SUD-36	SUD	Bulgaria	Varna
BG-SUD-38	SUD	Bulgaria	Vidin
BG-SUD-4	SUD	Bulgaria	IPURD Khaskovo
BG-SUD-5	SUD	Bulgaria	IPURD Montana
BG-SUD-6	SUD	Bulgaria	IPURD Plovdiv
BG-SUD-7	SUD	Bulgaria	IPURD Silistra
BG-SUD-8	SUD	Bulgaria	IPURD Svishtov
BG-SUD-9	SUD	Bulgaria	IPURD Stara Zagora
CY-SUD-2	SUD	Cyprus	ISUD Limassol
CY-SUD-3	SUD	Cyprus	ISUD Nicosia

CZ-SUD-1	SUD	Czech Republic	Brno
CZ-SUD-2	SUD	Czech Republic	Hradec_Pardubice
CZ-SUD-3	SUD	Czech Republic	Olomouc
CZ-SUD-4	SUD	Czech Republic	Ostrava
CZ-SUD-5	SUD	Czech Republic	Plzen
CZ-SUD-6	SUD	Czech Republic	Prague
CZ-SUD-7	SUD	Czech Republic	Usti_Chomutov
DE-ITI-10	non-SUD	Germany	Amrum
DE-ITI-11	non-SUD	Germany	Itzehoe and Brunsbuettel
DE-ITI-12	non-SUD	Germany	NES Trail
DE-ITI-13	non-SUD	Germany	Kultourwert Westkueste
DE-ITI-14	non-SUD	Germany	Perlen der Westkueste
DE-ITI-2	non-SUD	Germany	Wattenmeer
DE-ITI-8	non-SUD	Germany	Helgoland
DE-SUD-1	SUD	Germany	Auerbach - Westliche Alstadt
DE-SUD-15	SUD	Germany	Ueckermuende
DE-SUD-17	SUD	Germany	Herzogstadt Wolgast
DE-SUD-18	SUD	Germany	Zittau Mitte
DE-SUD-19	SUD	Germany	Zwickau - Erweiterte Bahnhofsvorstadt
DE-SUD-2	SUD	Germany	Dresden Northwest
DE-SUD-23	SUD	Germany	Bad Berka
DE-SUD-27	SUD	Germany	Bochum Wattenscheid
DE-SUD-29	SUD	Germany	Dorsten
DE-SUD-30	SUD	Germany	Eisenberg
DE-SUD-31	SUD	Germany	Geisa
DE-SUD-33	SUD	Germany	Soemmerda
DE-SUD-36	SUD	Germany	Grimmen
DE-SUD-39	SUD	Germany	Jena
DE-SUD-4	SUD	Germany	Innenstadt and Burgbau and Eilenburg
DE-SUD-41	SUD	Germany	Ludwiglust
DE-SUD-45	SUD	Germany	Oberbarmen Wichlinghausen
DE-SUD-49	SUD	Germany	Rodewisch Zentrum
DE-SUD-50	SUD	Germany	Rostock
DE-SUD-51	SUD	Germany	Rudolstadt
DE-SUD-52	SUD	Germany	Schwerin
DE-SUD-57	SUD	Germany	Waren
DE-SUD-58	SUD	Germany	Weimar 2030

DE-SUD-59	SUD	Germany	Wismar
DE-SUD-6	SUD	Germany	Frankenberg
DE-SUD-60	SUD	Germany	Heilbad Heiligenstadt
DE-SUD-61	SUD	Germany	Nordhausen
DE-SUD-64	SUD	Germany	Berlin - Kreuzberg
DE-SUD-67	SUD	Germany	Berlin - Neukoelln
DE-SUD-68	SUD	Germany	Berlin - Spandau Mitte
DE-SUD-69	SUD	Germany	Berlin - Nord Marzahn Nord Hellersdorf
DE-SUD-70	SUD	Germany	Berlin - Weddin Moabit
DE-SUD-71	SUD	Germany	Illingen
DE-SUD-72	SUD	Germany	Voelkingen
DE-SUD-9	SUD	Germany	Leipzig Osten
DE-SUD-91	SUD	Germany	Köln Starke Veedel
DE-SUD-92	SUD	Germany	Hamm Weststadt
DE-SUD-93	SUD	Germany	Unna
DE-SUD-94	SUD	Germany	Duisburg
DK-SUD-2	SUD	Denmark	SUD Slagelse
DK-SUD-3	SUD	Denmark	SUD Vejle
EE-SUD-1	SUD	Estonia	Jõhvi and Kohtla-Järve
EE-SUD-2	SUD	Estonia	Narva
EE-SUD-3	SUD	Estonia	Pärnu
EE-SUD-4	SUD	Estonia	Tallinn
EE-SUD-5	SUD	Estonia	Tartu
EL-ITI-01	non-SUD	Greece	Egnatia Odos
EL-ITI-02	non-SUD	Greece	Katakolo Ancient Olympia
EL-ITI-03	non-SUD	Greece	Messologhi-Aitoliko
EL-ITI-04	non-SUD	Greece	Epirus
EL-SUD-01	SUD	Greece	Patras
EL-SUD-02	SUD	Greece	Chania
EL-SUD-03	SUD	Greece	Heraklion
EL-SUD-05	SUD	Greece	Alexandroupoulis
EL-SUD-06	SUD	Greece	Drama
EL-SUD-07	SUD	Greece	Kavála
EL-SUD-08	SUD	Greece	Agrinio
EL-SUD-09	SUD	Greece	Chios
EL-SUD-10	SUD	Greece	Thessaloníki
EL-SUD-11	SUD	Greece	Serres
EL-SUD-12	SUD	Greece	Kozani
EL-SUD-13	SUD	Greece	Florina
EL-SUD-14	SUD	Greece	Ioannina
ES-ITI-1	non-SUD	Spain	ITI Azul
ES-ITI-2	non-SUD	Spain	ITI Cadiz
ES-ITI-4	non-	Spain	Mar Menor

	SUD		
ES-ITI-5	non-SUD	Spain	Teruel
ES-SUD-01	SUD	Spain	Baza Sostenible
ES-SUD-02	SUD	Spain	Perchel-Lagunillas (Malaga)
ES-SUD-06	SUD	Spain	Ciudad Unica Rinconada
ES-SUD-07	SUD	Spain	Algeciras
ES-SUD-10	SUD	Spain	Nerja
ES-SUD-12	SUD	Spain	Ubeda Baeza
ES-SUD-14	SUD	Spain	Linares Progresas
ES-SUD-15	SUD	Spain	Caminito del Rey
ES-SUD-17	SUD	Spain	Ciudad Parque Natural (San Fernando
ES-SUD-18	SUD	Spain	El Puerto
ES-SUD-22	SUD	Spain	Granada
ES-SUD-24	SUD	Spain	Córdoba
ES-SUD-25	SUD	Spain	Teruel
ES-SUD-26	SUD	Spain	Calatayud
ES-SUD-28	SUD	Spain	Mieres
ES-SUD-29	SUD	Spain	Santander
ES-SUD-30	SUD	Spain	Soria
ES-SUD-31	SUD	Spain	Tormes+
ES-SUD-32	SUD	Spain	Palencia
ES-SUD-35	SUD	Spain	Almansa
ES-SUD-37	SUD	Spain	Cuenca
ES-SUD-38	SUD	Spain	Santa Coloma de Gramenet
ES-SUD-39	SUD	Spain	Eje Besos (Barcelona)
ES-SUD-40	SUD	Spain	Torrent
ES-SUD-41	SUD	Spain	3C Valencia
ES-SUD-42	SUD	Spain	Borriana
ES-SUD-45	SUD	Spain	Villena (Alicante)
ES-SUD-46	SUD	Spain	Areas las Cigarreras
ES-SUD-49	SUD	Spain	Vinaros
ES-SUD-50	SUD	Spain	Caceres
ES-SUD-51	SUD	Spain	Don Benito Villanueva de la Serena
ES-SUD-54	SUD	Spain	Ecosystem Badajoz
ES-SUD-56	SUD	Spain	Marin 2020
ES-SUD-58	SUD	Spain	Vigo
ES-SUD-60	SUD	Spain	Ponteareas
ES-SUD-67	SUD	Spain	Plan Litoral de Ponent
ES-SUD-72	SUD	Spain	Conurban Azul
ES-SUD-73	SUD	Spain	Rivas Vaciamadrid
ES-SUD-75	SUD	Spain	Torrejón de Ardoz
ES-SUD-77	SUD	Spain	Alcalá de Henares
ES-SUD-81	SUD	Spain	La Manga
ES-SUD-82	SUD	Spain	Tudela
FI-SUD-1	SUD	Finland	Six cities strategy
FR-ITI-1	non-SUD	France	Pays d'Auray



FR-ITI-11	non-SUD	France	Pays de Redon-Bretagne Sud
FR-ITI-12	non-SUD	France	Pays de Saint Brieuc
FR-ITI-13	non-SUD	France	Pays des Vallons de Villaine
FR-ITI-15	non-SUD	France	Pays de Saint Malo
FR-ITI-16	non-SUD	France	Pays de Vannes
FR-ITI-17	non-SUD	France	Pays de Vitré
FR-ITI-21	non-SUD	France	Pays de Combraille en Marche
FR-ITI-22	non-SUD	France	West Correze
FR-ITI-23	non-SUD	France	Regional Natural Park - Millevaches
FR-ITI-5	non-SUD	France	Pays de Brocéliande
FR-ITI-6	non-SUD	France	Pays de Fougères
FR-ITI-9	non-SUD	France	Pays de Ploërmel-Cœur de Bretagne
FR-SUD-10	SUD	France	CA Chateauroux
FR-SUD-100	SUD	France	Métropole Européenne de Lille
FR-SUD-105	SUD	France	CA Valenciennes Métropole
FR-SUD-107	SUD	France	CA du Calaisis
FR-SUD-118	SUD	France	CIVIS (NB. La Réunion island)
FR-SUD-119	SUD	France	Métropole Aix-Marseille Provence
FR-SUD-120	SUD	France	Métropole Nice Côte d'Azur
FR-SUD-121	SUD	France	Toulon Provence Méditerranée
FR-SUD-125	SUD	France	EPT Plaine Commune
FR-SUD-13	SUD	France	CA Orléans
FR-SUD-2	SUD	France	Brest Métropole
FR-SUD-24	SUD	France	Bordeaux Métropole
FR-SUD-3	SUD	France	Rennes Métropole
FR-SUD-32	SUD	France	Samur-Loire-Développement
FR-SUD-33	SUD	France	Mulhouse ITI
FR-SUD-34	SUD	France	Nantes
FR-SUD-35	SUD	France	Strasbourg 2020
FR-SUD-39	SUD	France	Métropole Rouen Normandie
FR-SUD-43	SUD	France	Dijon
FR-SUD-48	SUD	France	CU du Creusot Montceau

FR-SUD-5	SUD	France	CA de Blois
FR-SUD-50	SUD	France	CC du Sénonais
FR-SUD-51	SUD	France	Aurillac
FR-SUD-52	SUD	France	Clermont-Communauté
FR-SUD-56	SUD	France	CA Vichy Val d'Allier
FR-SUD-58	SUD	France	Aire Belfort Monbeliard
FR-SUD-64	SUD	France	EPT Coeur d'Essonne
FR-SUD-65	SUD	France	Est Ensemble
FR-SUD-7	SUD	France	CA d'Epinal
FR-SUD-73	SUD	France	Narbonne
FR-SUD-74	SUD	France	Perpignan
FR-SUD-75	SUD	France	Hérault Méd
FR-SUD-79	SUD	France	Petite Camargue
FR-SUD-83	SUD	France	Amiens
FR-SUD-84	SUD	France	CA du Beauvaisis
FR-SUD-85	SUD	France	Région de Compiègne
FR-SUD-88	SUD	France	Pole Métropolitain Centre Franche-Comté
FR-SUD-90	SUD	France	Limoges
FR-SUD-91	SUD	France	Brive
FR-SUD-95	SUD	France	Niort Agglomération
FR-SUD-98	SUD	France	Lens-Liévin
FR-SUD-99	SUD	France	Grand Poitiers
HR-SUD-1	SUD	Croatia	Zadar
HR-SUD-2	SUD	Croatia	Zagreb
HR-SUD-3	SUD	Croatia	Split
HR-SUD-4	SUD	Croatia	Rijeka
HR-SUD-5	SUD	Croatia	Osijek
HR-SUD-6	SUD	Croatia	Pula
HR-SUD-7	SUD	Croatia	Slavonski Brod
HU-SUD-1	SUD	Hungary	SUD Székesfehérvár
HU-SUD-11	SUD	Hungary	SUD Tatabánya
HU-SUD-12	SUD	Hungary	SUD Kaposvár
HU-SUD-13	SUD	Hungary	SUD Kecskemét
HU-SUD-14	SUD	Hungary	SUD Miskolc
HU-SUD-15	SUD	Hungary	SUD Nagykanizsa
HU-SUD-16	SUD	Hungary	SUD Pécs
HU-SUD-18	SUD	Hungary	SUD Szeged
HU-SUD-2	SUD	Hungary	SUD Salgótarján
HU-SUD-20	SUD	Hungary	SUD Szolnok
HU-SUD-21	SUD	Hungary	SUD Szombathely
HU-SUD-22	SUD	Hungary	SUD Veszperm
HU-SUD-23	SUD	Hungary	SUD Zalaegerszeg
HU-SUD-3	SUD	Hungary	SUD Nyíregyháza
HU-SUD-4	SUD	Hungary	SUD Békéscsaba
HU-SUD-6	SUD	Hungary	SUD Debrecen
HU-SUD-7	SUD	Hungary	SUD Eger
HU-SUD-9	SUD	Hungary	SUD Győr

IE-SUD-1	SUD	Ireland	Athlone
IE-SUD-11	SUD	Ireland	Sligo
IE-SUD-15	SUD	Ireland	Wexford
IE-SUD-2	SUD	Ireland	Cork
IE-SUD-3	SUD	Ireland	Dublin
IE-SUD-4	SUD	Ireland	Dundalk
IE-SUD-6	SUD	Ireland	Galway
IE-SUD-7	SUD	Ireland	Letterkenny
IT-ITI-10	non-SUD	Italy	Valvecchiana
IT-ITI-29	non-SUD	Italy	Matera
IT-ITI-4	non-SUD	Italy	Apennino Basso Pesarese e Anconetano
IT-ITI-9	non-SUD	Italy	Valtellina
IT-SUD-1	SUD	Italy	Bologna
IT-SUD-10	SUD	Italy	Cesena
IT-SUD-11	SUD	Italy	Regio Calabria
IT-SUD-12	SUD	Italy	Napoli
IT-SUD-13	SUD	Italy	Roma
IT-SUD-14	SUD	Italy	Genova
IT-SUD-15	SUD	Italy	Milano
IT-SUD-16	SUD	Italy	Torino
IT-SUD-17	SUD	Italy	Cagliari
IT-SUD-18	SUD	Italy	Palermo
IT-SUD-19	SUD	Italy	Venezia
IT-SUD-2	SUD	Italy	Modena
IT-SUD-20	SUD	Italy	Catania
IT-SUD-21	SUD	Italy	Messina
IT-SUD-22	SUD	Italy	Perugia
IT-SUD-23	SUD	Italy	Spoletto
IT-SUD-24	SUD	Italy	Terni
IT-SUD-3	SUD	Italy	Parma
IT-SUD-4	SUD	Italy	Reggio Emilia
IT-SUD-5	SUD	Italy	Ravenna
IT-SUD-6	SUD	Italy	Rimini
IT-SUD-7	SUD	Italy	Ferrara
IT-SUD-8	SUD	Italy	Forli
IT-SUD-9	SUD	Italy	Piacenza
LT-ITI-1	non-SUD	Lithuania	Alytus region programme
LT-ITI-10	non-SUD	Lithuania	Vilnius region programme
LT-ITI-2	non-SUD	Lithuania	Kaunas region programme
LT-ITI-4	non-SUD	Lithuania	Marijampolė region programme
LT-ITI-6	non-	Lithuania	Šiauliai region programme

	SUD		
LT-ITI-7	non-SUD	Lithuania	Tauragė region programme
LT-ITI-8	non-SUD	Lithuania	Telšiai region programme
LT-SUD-1	SUD	Lithuania	Kaunas City Programme
LT-SUD-2	SUD	Lithuania	Klaipėda City Programme
LT-SUD-3	SUD	Lithuania	Panevėžys
LT-SUD-4	SUD	Lithuania	Šiauliai
LT-SUD-5	SUD	Lithuania	Vilnius City Programme
LU-SUD-1	SUD	Luxembourg	Dudelange
LV-SUD-1	SUD	Latvia	Jekabpils City Development Programme 2012-2018
LV-SUD-2	SUD	Latvia	Jelgava City Development Programme 2014-2020
LV-SUD-4	SUD	Latvia	Liepāja City Development Programme 2015-2020
LV-SUD-5	SUD	Latvia	Rezekne City Development Programme 2014-2020
LV-SUD-6	SUD	Latvia	Riga Development Programme 2014-2020
LV-SUD-7	SUD	Latvia	Valmeira City Development Programme 2015-2020
MT-SUD-01	SUD	Malta	Harbour region
NL-SUD-1	SUD	Netherlands	Implementation Plan Amsterdam
NL-SUD-2	SUD	Netherlands	Implementation plan the Hague
NL-SUD-3	SUD	Netherlands	Implementation plan Utrecht
NL-SUD-4	SUD	Netherlands	Opportunities for Rotterdam II
PL-ITI-1	non-SUD	Poland	LUB_Biala_Podlaska_strategy
PL-ITI-3	non-SUD	Poland	LUB_Chelm_strategy
PL-ITI-4	non-SUD	Poland	LUB_Pulawy_strategy
PL-ITI-5	non-SUD	Poland	LUB_Zamosc_strategy
PL-ITI-6	non-SUD	Poland	WAR_Elblag_strategy
PL-ITI-7	non-SUD	Poland	WAR_Elk_strategy
PL-SUD-1	SUD	Poland	MAZ_Warszawa
PL-SUD-10	SUD	Poland	LOD_LODZ_Strategy
PL-SUD-11	SUD	Poland	MAL_Krakow_Strategy
PL-SUD-12	SUD	Poland	OPO_Opole_strategy
PL-SUD-14	SUD	Poland	POD_Bialystok_strategy
PL-SUD-15	SUD	Poland	POM_Gulf_of_Gdansk_Strategy
PL-SUD-17	SUD	Poland	SLA_Southern_subregion_strategy
PL-SUD-18	SUD	Poland	SLA_Western_subregion_strategy
PL-SUD-19	SUD	Poland	SWI_Kielce_strategy
PL-SUD-2	SUD	Poland	LUB_Lublin
PL-SUD-20	SUD	Poland	WAR_Olsztyn_strategy
PL-SUD-21	SUD	Poland	WIE_Kalisz_Ostrow_Wielkopolski_strategy
PL-SUD-22	SUD	Poland	WIE_Poznan_Strategy
PL-SUD-24	SUD	Poland	ZAC_Szczecin
PL-SUD-3	SUD	Poland	SLA_Central_subregion

PL-SUD-5	SUD	Poland	DOL_Walbrzych_strategy
PL-SUD-6	SUD	Poland	DOL_Wroclaw_Strategy
PL-SUD-7	SUD	Poland	KUJ_Bydgoszcz_Torun_Strategy
PL-SUD-8	SUD	Poland	LBU_Gorzow_Wielkopolski_strategy
PL-SUD-9	SUD	Poland	LBU_Zielona_Gora_strategy
PT-ITI-1	non-SUD	Portugal	ITI Alentejo Central
PT-ITI-10	non-SUD	Portugal	ITI Lezíria do Tejo
PT-ITI-11	non-SUD	Portugal	ITI Médio Tejo
PT-ITI-12	non-SUD	Portugal	ITI Oeste
PT-ITI-13	non-SUD	Portugal	ITI Região de Aveiro
PT-ITI-15	non-SUD	Portugal	ITI Região de Leiria
PT-ITI-16	non-SUD	Portugal	ITI Tâmega e Sousa
PT-ITI-17	non-SUD	Portugal	ITI Terras de Trás-os-Montes
PT-ITI-18	non-SUD	Portugal	ITI Viseu Dão Lafões
PT-ITI-2	non-SUD	Portugal	ITI Alentejo Litoral
PT-ITI-3	non-SUD	Portugal	ITI Alto Alentejo
PT-ITI-4	non-SUD	Portugal	ITI Alto Tâmega
PT-ITI-5	non-SUD	Portugal	ITI Área Metropolitana de Lisboa
PT-ITI-6	non-SUD	Portugal	ITI Baixo Alentejo
PT-ITI-7	non-SUD	Portugal	ITI Beira Baixa
PT-ITI-8	non-SUD	Portugal	ITI Beiras e Serra da Estrela
PT-ITI-9	non-SUD	Portugal	ITI Cávado
PT-SUD-1	SUD	Portugal	Lisboa
PT-SUD-10	SUD	Portugal	Aveiro
PT-SUD-11	SUD	Portugal	Beja
PT-SUD-16	SUD	Portugal	Campo Maior
PT-SUD-18	SUD	Portugal	Castro Verde
PT-SUD-2	SUD	Portugal	Alcochete
PT-SUD-20	SUD	Portugal	Elvas
PT-SUD-22	SUD	Portugal	Évora
PT-SUD-29	SUD	Portugal	Portalegre
PT-SUD-3	SUD	Portugal	Vila do Conde
PT-SUD-32	SUD	Portugal	Santarém
PT-SUD-33	SUD	Portugal	Santiago do Cacém

PT-SUD-37	SUD	Portugal	Abrantes
PT-SUD-4	SUD	Portugal	Nazaré
PT-SUD-43	SUD	Portugal	Coimbra
PT-SUD-46	SUD	Portugal	Figueira da Foz
PT-SUD-5	SUD	Portugal	Cascais
PT-SUD-51	SUD	Portugal	Leiria
PT-SUD-52	SUD	Portugal	Mangualde
PT-SUD-6	SUD	Portugal	Guimarães (NOR)
PT-SUD-67	SUD	Portugal	Barreiro
PT-SUD-69	SUD	Portugal	Maфра
PT-SUD-7	SUD	Portugal	Almada
PT-SUD-70	SUD	Portugal	Moita
PT-SUD-74	SUD	Portugal	Palmela
PT-SUD-76	SUD	Portugal	Sesimbra
PT-SUD-8	SUD	Portugal	Nisa
PT-SUD-80	SUD	Portugal	Mirandela
PT-SUD-81	SUD	Portugal	Porto
PT-SUD-82	SUD	Portugal	Penafiel
PT-SUD-83	SUD	Portugal	Arouca
PT-SUD-84	SUD	Portugal	Vila Real
PT-SUD-85	SUD	Portugal	Chaves
PT-SUD-86	SUD	Portugal	Vila Nova de Famalicão
PT-SUD-9	SUD	Portugal	Castelo Branco
RO-ITI-1	non-SUD	Romania	ITI Delta Dunarii
RO-SUD-1	SUD	Romania	Alba Iulia
RO-SUD-10	SUD	Romania	Slatina
RO-SUD-11	SUD	Romania	Timisoara
RO-SUD-12	SUD	Romania	Vaslui
RO-SUD-2	SUD	Romania	Alexandria
RO-SUD-3	SUD	Romania	Baia-Mare
RO-SUD-4	SUD	Romania	Galati
RO-SUD-5	SUD	Romania	Piatra-Neamt
RO-SUD-6	SUD	Romania	Pitesti
RO-SUD-7	SUD	Romania	Ploiesti
RO-SUD-8	SUD	Romania	Ramnicu-Valcea
RO-SUD-9	SUD	Romania	Satu-Mare
SE-SUD-1	SUD	Sweden	SUD Gothenburg
SE-SUD-2	SUD	Sweden	SUD Malmo
SE-SUD-3	SUD	Sweden	SUD Stockholm
SI-ETC-1	SUD	Slovenia	INTERREG SI-IT
SI-SUD-10	SUD	Slovenia	Velenje SUD strategy
SI-SUD-2	SUD	Slovenia	Koper SUD strategy
SI-SUD-3	SUD	Slovenia	Kranj SUD strategy
SI-SUD-4	SUD	Slovenia	Ljubljana SUD strategy
SI-SUD-5	SUD	Slovenia	Maribor SUD strategy
SI-SUD-6	SUD	Slovenia	Murska Sobota SUD strategy
SI-SUD-9	SUD	Slovenia	Slovenj Gradec SUD strategy

SK-ITI-1	non-SUD	Slovakia	Regional Integrated Territorial Strategy of Banská Bystrica Region
SK-ITI-2	non-SUD	Slovakia	Regional Integrated Territorial Strategy of Nitra Region 2014-2020
SK-ITI-3	non-SUD	Slovakia	Regional Integrated Territorial Strategy of Trenčín Region 2014-2020
SK-ITI-4	non-SUD	Slovakia	Regional Integrated Territorial Strategy of Žilina Region 2014-2020
SK-ITI-5	non-SUD	Slovakia	Bratislava Region
SK-ITI-6	non-SUD	Slovakia	Prešov Region
SK-ITI-7	non-SUD	Slovakia	Košice Region
SK-ITI-8	non-SUD	Slovakia	Trnava Region
SK-SUD-1	SUD	Slovakia	Regional Integrated Territorial Strategy of Banská Bystrica Region
SK-SUD-2	SUD	Slovakia	Regional Integrated Territorial Strategy of Nitra Region 2014-2020
SK-SUD-3	SUD	Slovakia	Regional Integrated Territorial Strategy of Trenčín Region 2014-2020
SK-SUD-4	SUD	Slovakia	Regional Integrated Territorial Strategy of Žilina Region 2014-2020
SK-SUD-5	SUD	Slovakia	Bratislava
SK-SUD-6	SUD	Slovakia	Prešov
SK-SUD-7	SUD	Slovakia	Košice
SK-SUD-8	SUD	Slovakia	Trnava
UK-ITI-1	non-SUD	UK	Cornwall & Isles of Scilly ITI
UK-SUD-1	SUD	UK	London
UK-SUD-2	SUD	UK	Birmingham
UK-SUD-3	SUD	UK	Leeds

### ANNEX 3 – SHARE OF POPULATION AND TOTAL AMOUNT OF ESIF FUNDING COVERED BY MAPPED STRATEGIES

Member State	Share of population covered by all strategies mapped	Total ESIF funding for all strategies mapped (€m)
Austria	21%	€ 19.69
Belgium	52%	€ 240.55
Bulgaria	53%	€ 496.64
Croatia	50%	€ 771.80
Cyprus	2%	€ 91.41
Czech Republic	49%	€ 1,088.98
Denmark	2%	€ 9.60
Estonia	63%	€ 94.11
Finland	29%	€39.7
France	11%	€ 408.32
Germany	4%	€ 125.88
Greece	20%	€ 588.47
Hungary	18%	€ 939.35
Ireland	21%	€ 11.00
Italy	23%	€ 773.89
Latvia	43%	€ 168.19
Lithuania	117%*	€ 721.99
Luxembourg	3%	€ 1.17
Malta	18%	€ 19.22
Netherlands	13%	€ 70.56
Poland	45%	€ 4,326.93
Portugal	89%	€ 1,127.44
Romania	10%	€ 1,509.09
Slovakia	128%*	€ 1,217.48
Slovenia	28%	€ 78.51
Spain	31%	€ 1,377.53
Sweden	30%	€ 49.20
UK	20%	€ 1,382.05





**ANNEX 4 –STRATEGY FICHES**

(see separate files)

Case study	Member State	Code	SUD/non SUD	Type of city/region	population	Implementation method	Type of region	Multi-fund	CLLD	FI	Private funding	Rural urban
Vienna	AT	AT-SUD-1	SUD	Metropolitan	1840000	PrAxis	MD	No	No	No	No	Yes
Limburg	BE	BE-ITI-1	non-SUD-ITI	Region	85000	ITI	MD	Yes	No	No	No	No
Brussels	BE	BE-SUD-3	SUD	Town	1139000	OP	MD	No	No	Yes	No	No
Plovdiv	BG	BG-SUD-6	SUD	Town	504338	PrAxis	LD	No	No	No	Yes	No
Pazardjik	BG	BG-SUD-24	SUD	Town	69384	PrAxis	LD	No	No	No	No	Yes
Nicosia	CY	CY-SUD-3	SUD	Neighbourhood	8244	PrAxis	TR	Yes	No	No	Yes	Unclear
Prague	CZ	CZ-SUD-6	SUD	Metropolitan	609000	ITI	MD	Yes	No	No	No	Unclear
Brno	CZ	CZ-SUD-1	SUD	Town	2000000	ITI	LD	Yes	No	No	No	Unclear
Ústí nad Labem	CZ	CZ-SUD-7	SUD	Town	52000	ITI	LD	Yes	No	No	No	No
Berlin	DE	DE-SUD-20	SUD	Metropolitan	3500000	PrAxis	MD	No	No	No	Yes	No
Nordhausen	DE	DE-SUD-61	SUD	Town	41839	PrAxis	TR	No	No	No	Yes	Yes
Ostalbkreis	DE	DE-ITI-9	ITI- Like	Region	307000	n/a	MD	No	No	No	No	Yes
Vejle	DK	DK-SUD-3	SUD	Town	53230	PrAxis	MD	No	No	No	Yes	Yes
Tartu	EE	EE-SUD-5	SUD	Metropolitan	120929	PrAxis	LD	No	No	No	No	Yes
Patras	EL	EL-SUD-01	SUD	Neighbourhood	150000	ITI	LD	Yes	No	Unclear	No	Yes
Egnatia Odos	EL	EL-ITI-01	non-SUD-ITI	Region	541985	ITI	LD	Yes	No	No	Yes	Unclear
Malaga	ES	ES-SUD-15	SUD	Town	59695	PrAxis	TR	No	No	No	No	Yes
Barcelona	ES	ES-SUD-39	SUD	Town	114014	PrAxis	MD	No	No	No	No	No
Azul	ES	ES-ITI-1	non-SUD-ITI	Region	9000000	ITI	MD and TR	Yes	No	No	No	No
Six cities	FI	FI-SUD-1	SUD	Town	1600000	ITI	MD	Yes	No	No	No	No
Aurillac	FR	FR-SUD-51	SUD	Other	54036	PrAxis	TR	No	No	No	No	Yes
Centre Franche-Comté	FR	FR-SUD-88	SUD	Region	319868	PrAxis	TR	Yes	No	Unclear	No	Yes
Lille	FR	FR-SUD-100	SUD	Metropolitan	357220	ITI	MD	No	No	Unclear	No	No
Zagreb	HR	HR-SUD-2	SUD	Town	1086528	ITI	LD	Yes	No	No	Unclear	Yes
Pecs	HU	HU-SUD-16	SUD	Town	145000	PrAxis	LD	Yes	No	No	Yes	Yes
Debrecen	HU	HU-SUD-6	SUD	Town	145000	PrAxis	LD	Yes	No	No	No	Unclear

Case study	Member State	Code	SUD/non SUD	Type of city/region	population	Implementation method	Type of region	Multi-fund	CLLD	FI	Private funding	Rural urban
Tatabanya	HU	HU-SUD-11	SUD	Town	68000	PrAxis	LD	Yes	No	No	No	Yes
Cork	IE	IE-SUD-2	SUD	Metropolitan	119230	PrAxis	MD	No	No	No	No	No
Torino	IT	IT-SUD-16	SUD	Town	905000	OP and PrAxis	MD	Yes	No	No	Unclear	Yes
Palermo	IT	IT-SUD-18	SUD	Town	1069754	OP and PrAxis	LD	Yes	No	No	No	Unclear
Matera	IT	IT-ITI-29	non-SUD-ITI	Town	60347	PrAxis	LD	Unclear	Unclear	Unclear	Unclear	Unclear
Reggio Emilia	IT	IT-SUD-4	non-SUD-ITI	Region	171655	PrAxis	LD	No	No	No	Yes	Yes
Kaunas	LT	LT-SUD-1	SUD	Neighbourhood	297846	ITI	LD	Yes	Yes	No	Yes	Yes
Liepaja	LV	LV-SUD-4	SUD	Town	71926	ITI	LD	No	No	No	No	Yes
The Hague	NL	NL-SUD-2	SUD	Town	510000	ITI	MD	Yes	Yes	No	Yes	Yes
Katowice	PL	PL-SUD-3	SUD	Metropolitan	2759961	ITI	LD	Yes	No	No	No	No
Walbrzych	PL	PL-SUD-5	SUD	Metropolitan	415800	ITI	LD	Yes	No	No	No	Yes
Lublin	PL	PL-SUD-2	SUD	Metropolitan	547784	ITI	LD	Yes	No	No	No	Yes
Elblag	PL	PL-ITI-6	non-SUD-ITI	Region	206000	ITI	LD	Yes	No	No	No	Yes
Porto	PT	PT-SUD-81	SUD	Metropolitan	237534	ITI	LD	No	No	Yes	Unclear	No
Cascais	PT	PT-SUD-5	SUD	Town	206479	PrAxis	MD	No	No	Yes	No	No
Tâmega e Sousa	PT	PT-ITI-16	Non-SUD-ITI	Region	432915	ITI	TR	Yes	No	Unclear	Unclear	Unclear
Timisoara	RO	RO-SUD-11	SUD	Town	387000	PrAxis	LD	Yes	No	No	Yes	No
Ploiesti	RO	RO-SUD-7	SUD	Town	327000	PrAxis	LD	No	No	No	No	Yes
Danube	RO	RO-ITI-1	Non-SUD-ITI	Region	184000	ITI	LD	Yes	Yes	No	No	Unclear
Stockholm	SE	SE-SUD-3	SUD	Metropolitan	2100000	OP	MD	No	No	Yes	No	Yes
Maribor	SI	SI-SUD-5	SUD	Town	81165	ITI	LD	No	No	No	No	Unclear
Nitra	SK	SK-SUD-2	SUD	Town	92935	ITI	LD	No	Yes	No	No	No
London	UK	UK-SUD-1	SUD	Metropolitan	8539000	ITI	MD	Yes	No	Yes	Yes	Yes
Cornwall and the Isles of Scil	UK	UK-ITI-1	non-SUD-ITI	Region	536000	ITI	TR	Yes	No	Yes	No	No

## ANNEX 5 - DEMOGRAPHIC STATISTICS SUD STRATEGIES BY MEMBER STATE

Member State	Number of strategies	Median population	Average population	Lowest population	Highest population	Standard deviation
Austria	1	1840000	1840000	1840000	1840000	-
Belgium	7	355000	485116	248000	1139000	307597
Bulgaria	25	69610	151776	27487	1260120	255731
Croatia	7	188797	297649	83201	1086528	357788
Cyprus	2	9384	9384	8244	10524	1612
Czech Republic	7	520000	741571	310000	2000000	596607
Denmark	2	65763	65763	53230	78296	17724
Estonia	5	63000	164908	54547	526749	204070
Finland	1	1600000	1600000	1600000	1600000	-
France	42	88663	150662	2071	572000	151069
Germany	39	17604	51386	3440	235016	68491
Greece	13	57878	108869	8000	790715	209052
Hungary	18	77500	96944	36000	205000	47424
Ireland	8	69564	123804	19450	527612	169871
Italy	24	184561	586598	38628	3118149	825403
Latvia	6	44518	142529	24435	643620	246234
Lithuania	5	154326	236303	93598	532762	184753
Luxembourg	1	20000	20000	20000	20000	-
Malta	1	79741	79741	79741	79741	-
Netherlands	4	560000	567842	311367	840000	219828
Poland	20	651491	820928	153300	2759961	726383
Portugal	35	51850	79013	7276	552700	100542
Romania	12	100594	154663	45434	387000	114432
Slovakia	8	112970	190066	68881	578091	171216
Slovenia	8	40658	72155	12554	280278	88425
Spain	42	61701	91919	20644	363326	79497
Sweden	3	548190	988707	317930	2100000	969270
UK	3	2468800	4102600	1300000	8539000	3886227

## ANNEX 6 – STRATEGY SELECTION NOT YET COMPLETED

The cases where strategy selection has not yet been finalised are outlined below.

- **Germany** – The process of submitting and approving strategies, and the extent to which dedicated competitive calls were used, differs considerably between *Länder*. In general, *Land*-level organisations do not appear to hold centralised copies of all approved strategies. While in a small number of cases, strategies have been available for website download, in the vast majority of cases, each individual town/area/region implementing a successful strategy has had to be contacted individually to ask for a copy. In Berlin, there is uncertainty in terms of which and consequently how many strategies form the basis for the SUD approach. In Hessen, the total number is unknown, and in Saarland there is conflicting information. Furthermore, Brandenburg had initially planned to contribute to Article 7 but decided in December 2016 that it would no longer do so. Similarly, Baden-Württemberg initiated the process of funding regional ITIs but subsequently withdrew this approach. However, the approach taken in Baden-Württemberg can be considered an ITI-like approach. The table below provides an overview.

### Overview of SUD and non-SUD ITI strategies in Germany

Land	Current no. of strategies	Approval status	No. in repository
Berlin	Unclear	Approved	5
Hessen	Unknown		0
NRW	15	Approved	12
Mecklenburg-Vorpommern	22	Approved	22
Saarland	Unclear		7
Sachsen	22	Approved	11
Thüringen	38	Approved	16
Schleswig-Holstein (non-SUD ITI strategies)	8	Approved	8

- In **Greece**, a total of 39 strategies have been identified based on the information provided in Operational Programmes and confirmed by the Managing Authorities. However, the preparation stage and approval process differs across regions. Furthermore, there are several regions that are implementing SUD through a competitive process, and the final selection has not yet been agreed. Therefore, the total number of strategies is likely to change. The date by which strategies can be expected to be approved is unclear. Greece will also implement 16 non-SUD ITI strategies four of which have been approved and published. The total number may also slightly change and again the likely final approval date is unknown.
- **France** will implement an estimated 234 territorial strategies. All 18 French regions, covering all 28 ERDF regional OPs, are concerned. The number of strategies per OP area range from one (Guyane) to 18 (Midi-Pyrénées) and total 202. France also implements 32 non-SUD ITI strategies across two OPs (Bretagne and Limousin). The CGET noted that the most urbanised areas have opted for ITIs. As of August 2017, strategies and/or delegation contracts involving 138 territories have been collected. The latest information suggests that 186 strategies from 24 OPs have so far been approved. The remainder of the strategies are also expected to have already been approved, but this is yet to be confirmed.
- In **Croatia**, seven SUD strategies are planned in seven cities (Zagreb, Split, Rijeka, Osijek, Pula, Zadar and Slavonski Brod). So far, Zadar, Pula and Rijeka

strategies are approved by city-councils. Zagreb, Split, Osijek and Slavonski Brod strategies are still being drafted and the date for their approval is not yet known.

- In **Italy**, a total of 89 SUD strategies have been identified. The strategies implemented as part of the Metropolitan OP have been approved. At the regional level, only the strategies in Emilia-Romagna have been approved. Further approvals are expected in early 2017.

Also in Italy, a total of 75 areas (area interne) are eligible for implementing non-SUD ITI strategies; so far, 27 strategies have been approved and 35 have been rejected. In a further 12 cases, the exact status of the strategy is not yet clear. However, obtaining strategy documents within the set timescale could be challenging in Italy.

- **Malta** will have one SUD strategy. The strategy was expected to be approved at the end of 201, but has not yet been published.
- In **Romania**, a total of 39 SUD strategies are planned. Approval of the strategies was expected in late autumn 2016. The MA initially stated that it would open a formal call in June 2016. However, there have been delays and to date there has not been a call for strategies. For some larger urban areas, draft documents are available. There is also one non-SUD ITI in Romania which has already been approved. However, there is a lack of information beyond the programming documents in Romania, and the relatively small dimension of many towns and their limited resources are particularly challenging in terms of providing information.
- In the **UK**, the England OP area will see the implementation of one non-SUD regional ITI in Cornwall and the Isles of Scilly (C&IoS), SUD ITI strategies in nine cities (London and each of the eight Core Cities). Six strategies (London, Birmingham, Leeds, Sheffield, Liverpool and Manchester) have been confirmed as approved, but for the other three (Bristol, Newcastle and Nottingham) it is unclear whether they have been approved.

## ANNEX 7 - RESPONSIBILITIES OF URBAN AUTHORITIES AND MANAGING AUTHORITIES

City	Responsibilities for urban authorities in relation to project selection	Other responsibilities delegated to urban authority	Responsibilities retained at regional/managing authority
Aurillac (SUD)	Assessing projects' strategic coherence and contribution to the ITI.	Collecting applications and providing assistance in project development.	Assessing project compliance with legally applicable frameworks (e.g. state aid rules, etc.). Strategic assessment of projects based on the expected achievement of the indicators' target values. Taking the funding decision through its selection committee.
Azul (regional ITI)	n/a	n/a	MA at national level, chairing commission that coordinates and elaborates annual reports of the different OPs' contribution to ITI. Regional governments are OP IBs responsible for managing their own strands of the regional OPs. ITI is implemented at the regional level. Each regional programme has its own calls and regional authorities responsible for selecting operations and reporting on the contribution of the selected projects to ITI.
Barcelona (SUD)	Barcelona City Council is ITI IB and is responsible for the selection of operations. It is also responsible for the preparation of draft proposals of project selection criteria, in coordination with the managing authority.	The City Council is responsible for drafting the SUD strategy.	MA at national level launches the call for SUD strategies and selects them. Supervises the eligibility of operations.
Berlin (SUD)	Project selection with consultation from experts at district and local levels. Includes assessment of financial viability and compliance with rules.	Formulates competitive calls, in co-operation with actors at district and quarter levels and others, based on the development concepts.	Defining long-term strategic development of the ITI. Organises advisory boards to discuss impact of emerging development trends, evaluation approaches etc.
Brno (SUD)	A steering committee assesses the compliance of proposed projects with the strategy, and an intermediate body at the city level formally approves projects. Projects requiring ESF funding are assessed by the relevant MA.	The provision of information to beneficiaries, the assessment of project compliance with the IS BMA, the setting of appraisal criteria, the preparation and launch of calls and monitoring and evaluative duties.	Responsible for the central monitoring system that must be used by the ITI.
Brussels (SUD)	The UA and MA are the same body. Projects are assessed by an evaluation committee, consisting of 8 government representatives and 8 external experts and a consultant. The government of the capital region approves the projects.	As the MA and UA are the same body, all responsibilities are carried out by the MA.	As the MA and UA are the same body all responsibilities are carried out by the MA.

C and IoS (regional ITI)	n/a	Cornwall Council and other bodies play a significant contributory role. Some share functions include the development of project calls and provision of information to potential beneficiaries.	England ERDF OP MA (the Department for Communities and Local Government, DCLG) and the England ESF OP MA (DWP) nominally retain all responsibilities for project selection, implementation and monitoring.
Cascais (SUD)	UA responsible for selecting applications, verifying their compliance with the established eligibility criteria, and applying the approved selection criteria.	Organising project calls (in accordance with the annual plan), providing information to beneficiaries, and elaborating a document evaluating the quality of operations and justifying their relevance for the achievement of the strategy's objectives.	Defines overall framework for implementation. Responsible for final control of eligibility of operations before approval, final approval, verification of eligibility of expenses during execution, and the establishment of monitoring and control mechanisms.
CFC Pole (SUD)	UA performs an eligibility check and a strategic assessment based on an evaluation matrix. Issues an opinion to the region (managing authority)	Set out list of selection criteria, advertising and assisting applicants, monitoring the strategy.	Compliance check of projects forwarded by UA and makes a final decision. Co-responsible for advertising funding opportunities under the ERDF-SUD framework and for providing applicants with information and assistance in project engineering.
Chomutov (SUD)	Assesses coherence of projects with ITI strategy, assesses formal compliance and has a share in meritocratic assessment (for ERDF only).	Setting of appraisal criteria, provision of information to beneficiaries, launch of calls.	For ERDF, MA has final approval of selection and can do final factual appraisal. For ESF and CF, proposals are appraised directly by MA or OP IB if relevant.
Cork (SUD)	Projects prioritised and selected based on a scoring system and discussed by a selection committee.	Development of project proposals and selection process, in consultation with MA.	Gives final approval.
Danube (regional ITI)	n/a	Prioritisation of the projects included in the strategy; support to potential beneficiaries to prepare funding applications; support to beneficiaries to implement/manage the projects, through management consultancy related for example to the implementation of public procurement procedures; and monitoring and periodic reporting to the MA on the implementation of projects.	Procedures for selecting, funding and implementing projects are autonomously and separately established by each relevant MA of the OPs participating in the funding of the ITI: projects belonging to the strategy, after having been prioritised by the local level, need to apply to specific ITI-oriented calls issued and managed fully by these MAs.
Debrecen (SUD)	The city assesses all applications on the basis of the territorial selection criteria defined in the Integrated Territorial Programme, measuring the contribution of the project to the general aims of the SUD.	Monitors and reports on progress with the delivery of the ITP and at the same time prepares and manages individual projects.	The MA (or OP IB) is in charge of admission and eligibility criteria checks, and it also appraises the application against coherence with the OP and compliance with the regulations. The MA launches calls and collects applications, signs grant contracts and undertakes financial management checks.



Egnatia Odos (regional ITI)	n/a	n/a	MA has control with a specific support structure for dedicated technical capacity, including all aspects of project generation and selection.
Elblag (non-SUD urban ITI)	City office shares assessment of coherence with ITI strategy 50/50 with MA, recommends project calls to MA.	Recommends the schedule of project calls to the MA and conducts the monitoring of the strategy.	MA shares 50/50 assessment of coherence with ITI strategy, 100% formal compliance and assessment of merit and final approval.
FI Six cities (SUD)	The joint management group is responsible for prioritising the ERDF projects, and proposing them to the regional council.	Promoting, supporting and animating of projects; deciding selection criteria for projects; calls for project proposals; monitoring the implementation of the strategy and the projects.	Formal approval of projects.
Katowice (SUD)	Shares input into quality assessment 50/50 with MA, focusing on coherence of projects with SUD strategy.	Project generation, mobilisation of potential beneficiaries.	Selection criteria set by the MA in cooperation with the local authorities in a dedicated working group. Organises project calls, formal assessment, eligibility check, shared input into meritocratic assessment with UA, dealing with specific themes, sectoral issues.
Kaunas (SUD)	City Municipal Administration responsible for tasks relating to the selection of operations, based on consultations with OP IBs in related fields.	Monitoring and coordinating the implementation of projects.	Final documentation check and approval by national-level bodies in charge of OP management.
Liepaja (SUD)	UA establishes the municipal commission, which performs selection and approval. Submits to the MA: a decree or decision on establishing the municipal commission; all documentation on which the decision-making is based; a conclusion on selection approved by the municipal commission. Final approval by municipal commission.	Designs selection criteria taking into account OP objectives. Responsible for implementation, monitoring and evaluation.	MA approves internal procedures for project selection and monitors it through participation in the Municipal Commission as an observer. All ITI project applications are submitted to the MA for verification before the final approval by the Municipal Commission. MA can perform on-the-spot checks. No project applications can be approved without MA verification.
Lille (SUD)	Project appraisals involve the relevant thematic services of the metropolis, and are performed in the light of both the domestic city contract and the OP. Inter-Municipal Committee pre-selects projects to be submitted to the MA. The final step consists of confirmation of the MA's decision by the Inter-Municipal Committee.	The urban authority sets up common calendars, common advertising of funding.	Second appraisal by the region (MA), again including both the city contract and the OP.
Limburg (regional ITI)	n/a	ITI Steering Group (national, provincial, city authorities, socio-economic partners) assesses applications according to coherence with ITI strategy, quality and financial plan.	Projects assessed by MA in terms of coherence with OP, quality, financial plan, regulatory compliance. MA makes final selection decision.

London (SUD)	Responsible for the selection of operations that will be supported through the strategy, with ultimate executive responsibility at the regional level residing with the mayor.	The GLA holds significant management responsibilities and oversees the implementation, management and delivery of the London ITI. It reports upwards to the MAs at national level.	Overall coordination of strategies at national level.
Lublin (SUD)	Gathers documentation and prepares the pre-contracts of non-competitive projects, which are the only implementation mode in the Lublin ITI.	Monitoring of projects.	Final approval of projects.
Malaga (SUD)	Responsible for selection of operations, selects the operations contributing to the strategy,	Drafting of the strategy and preparation of a draft proposal of the operations' selection criteria, in coordination with the MA.	Role in development of selection criteria. Assesses the eligibility of operations.
Maribor (SUD)	The Association of Urban Municipalities of Slovenia is responsible for selecting projects (through its expert committee).	Responsible for issuing calls. Co-responsibility for monitoring (together with central ministries).	The MA takes the final decision on support.
Nicosia (SUD)	Projects selected by the local authorities/urban development bodies involved on the basis of an agreement with the MA.	Planning, organisation, control, management and oversight of SUD progress.	Responsible for the approval of strategies and action plans, providing standards and guidance.
Nitra (SUD)	Responsible for assessment of the project proposals.	Organises project calls, monitoring and reporting.	Coordination and methodological guidance of the preparation and implementation of the strategy. Establishment of a Partnership Council for drafting and approving strategies.
Nordhausen (SUD)	The municipal town administration is responsible for the implementation of the strategy. A formal agreement has been drafted between individual municipalities and the OP IB which governs the process of project eligibility and approval. The agreement formally sets out that the municipal town administration is responsible for project selection and subsequent implementation.	Responsible for subsequent implementation and monitoring.	Thüringer Ministry for Infrastructure and Agriculture (Ministerium für Infrastruktur und Landwirtschaft, TMIL) (the IB responsible for the sustainable urban development component of the ERDF OP). Responsibility for assessment of project eligibility, approval and payment for ERDF-funded projects.
Ostalbkreis (ITI like approach)	n/a	Ostalb district government is responsible for the alignment of project development with the strategic aims of the Baden-Württemberg ERDF OP.	MA requested and approved an alignment of selected ERDF-funded projects with its ERDF OP and a feasibility study of projects. Over the period, it advised on and approved decisions concerning the coupling of funding mechanisms in the ITI-like strategy.
Patras (SUD)	Municipality responsible for the selection of operations, although specific operations have already been defined in	Submission of strategy to MA for approval. The municipality has responsibility up until the final delivery of the project.	MA responsible for issuing the calls for projects, eligibility check and final approval, monitoring, evaluation.

	the ROP document.		
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Pazardzhik (SUD)	Organises and carries out all activities connected with the evaluation of the project proposals for the implementation of the IP, in accordance with the criteria for selection of operations.	Implementation, updating, monitoring and control of the strategy and the initiation of changes.	Approval of the strategy, verification of the selection procedures, definition of the selection criteria, preparation of project calls, the launch of calls, provision of information to beneficiaries, final verification, signature of the grant contract, financial management (check and financial control), monitoring and reporting, and evaluation.
Pecs (SUD)	Assesses applications on the basis of the territorial selection criteria defined in the strategy, measuring projects against its general aims.	Reports on progress in implementation to MA.	Launches calls, collects applications (via the IB), signs the grant contract for approved projects and undertakes the financial management (check and financial control) tasks. The managing authority also monitors and assesses progress on a regular basis, its main tools being regular reports from the UA.
Ploiesti (SUD)	Urban authorities are required to express a prioritisation of their projects suitable for funding under the OP. This prioritisation automatically leads to the funding of the identified projects, unless further eligibility checks, for which the MA is responsible, will exclude them.		Eligibility checks, monitoring evaluation, general implementation tasks.
Plovdiv (SUD)	The evaluation of project proposals and the selection of contractors.		Approval of the strategy, verification of the selection procedures, definition of selection criteria, preparation of project calls, launch of calls, provision of information to beneficiaries, final verification, conclusion of the grant contract, financial management (check and financial control), monitoring and reporting, and evaluation.
Porto (SUD)	The urban authority is responsible for selecting the submitted applications, verifying their compliance with the established eligibility criteria, and applying the approved selection criteria (except operations supported through FIs).	Monitoring and evaluation, financial management.	The selection criteria to be applied to various types of operations were defined and adopted by the MA upon approval by the Monitoring Committee.
Prague (SUD)	In the case of the IROP projects (ERDF), the ITI IB, IROP IB and MA are involved in the selection process.		Overall coordinating role. MAs and their intermediate bodies verify the acceptability of project applications and issue final appraisal statements as a basis for particular MAs to conduct a final factual assessment. Also, the MAs have the responsibility to approve suggested appraisal criteria. With regard to the OP PGP projects (ERDF) and the OP Env projects (CF), the

			relevant MA manages the entire selection process.
Reggio Emilia (SUD)	Municipality of Reggio Emilia is responsible for selection of interventions (in dialogue with MA).	Development of strategy (in dialogue with MS); development of implementation plan; monitoring and reporting, definition of selection criteria (joint with MA), launch of calls and collection of applications (in dialogue with MA); financial management (joint with MA).	Definition of selection criteria (joint with UA); financial management (joint with UA); evaluation.
Stockholm (SUD)	The MA is the urban authority. A city-based Structural Funds partnership is responsible for project selection.	n/a	n/a
Tâmega e Sousa (SUD)	Assesses the eligibility, technical and financial adequacy, and the merit of operations, ensuring a selection process in conformity with the criteria applicable under the co-funding OPs (developed by the MAs and approved by the respective monitoring committees).	Monitoring and evaluating the achievement of objectives and results and proposing financial closure of operations. Communication and dissemination activities.	Functions such as project approval and financial contracting of operations, validation of expenses and launch of calls are retained at the MA level.
Tartu (SUD)	Project selection is delegated to the steering group of the urban area, which selects projects from among compliant project proposals		Guidelines and selection criteria for projects, financial management and monitoring of the measure, including processing applications, making grant decisions and payments, and approval of final reports.
Tatabánya (SUD)	Assesses all applications on the basis of the territorial selection criteria defined in the strategy. These considerations essentially measure the contribution of the project to the general aims of the strategy.	Monitors and reports on progress with the delivery of the ITP. In addition, the city acts as the primary contact point for the integrated, sustainable urban development programme for the local stakeholders, the IB (local office of the State Treasury) and the MA.	The MA (IB) is in charge of admission and eligibility criteria checks. It also appraises the application against coherence with the OP and compliance with the regulations (e.g. cost-efficiency), and a set of criteria established by the MA. The final approval decision, and the verification of selection procedures, remains with the managing authority for all projects. Also involved in evaluation.
The Hague (SUD)	A city-based advisory group is responsible for assessing and scoring projects.	The urban authority also has extensive responsibilities in terms of project animation, issuing calls, providing input in terms of developing selection criteria, financial management and monitoring.	The MA has an advisory role in terms of eligibility of projects and takes the final formal decision (rubber-stamping the project selection). Project selection criteria are developed centrally but with significant local input.
Timisoara (SUD)	A list of projects is approved by the MA, the urban authority is responsible for subsequent prioritisation.	No formal role after their participation in project selection, but structures for local coordination of the strategy and the establishment of a consultative committee have been agreed.	Significant role in project selection and responsible for all other aspects of implementation.

Torino (SUD)	Largely joint, under a so-called 'co-progettazione strategica' (joint strategic project design), whereby IB and MA jointly implement a process of participation leading to the selection of a limited number of integrated operations.	Development of strategy (in dialogue with MA), development of Action Plan; definition of selection criteria (joint with MA), project calls, monitoring and reporting to MA, financial management (joint with MA).	Definition of selection criteria (joint with UA), evaluation, financial management (joint with UA).
Vejle (SUD)	A Nominating Committee, which comprises the key authorities and institutions in the field of sustainable urban development at the national level, is responsible for quality assurance and project selection. The UAs that are granted funding are responsible for implementation.	The municipality is responsible for implementing the SUD strategy.	Most responsibilities have been retained centrally.
Vienna (SUD)	UA carries out project appraisal and selection.	Drafting the strategy, monitoring.	
Walbrzych (SUD)	Full ITI implementation responsibilities, including formal and meritocratic assessment and selection of projects.	Monitoring and reporting, financial control.	Formal approval of the strategy, preparing drafts of the project selection criteria, and evaluation. It is also still a controlling institution, where the IB sends all the reports and data to then transfer it to the ministry. It also has some advisory functions.
Zagreb (SUD)	UA responsible for selection of operations, including meritocratic assessment and verification of eligibility.	Receiving and registering applications and administrative checks; delivery of information to final users; monitoring; verification and validation of expenditure; submission of reports, etc.	Preparation and approval of a detailed plan on ITI implementation; drafting criteria and methodology for the selection of operations (in conjunction with UA); submission of the methodology to the monitoring committee; drafting and launching calls for proposals; approval of the financing decision and making payments; supervision of ITI management and control systems; and drafting an implementation report.

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