European Commission

Regional and Urban Policy

EX POST EVALUATION

OF THE EUROPEAN REGIONAL DEVELOPMENT FUND AND THE COHESION FUND

2014
2020

WORK PACKAGE 13
TERRITORIAL INSTRUMENTS

COUNTRY FICHES

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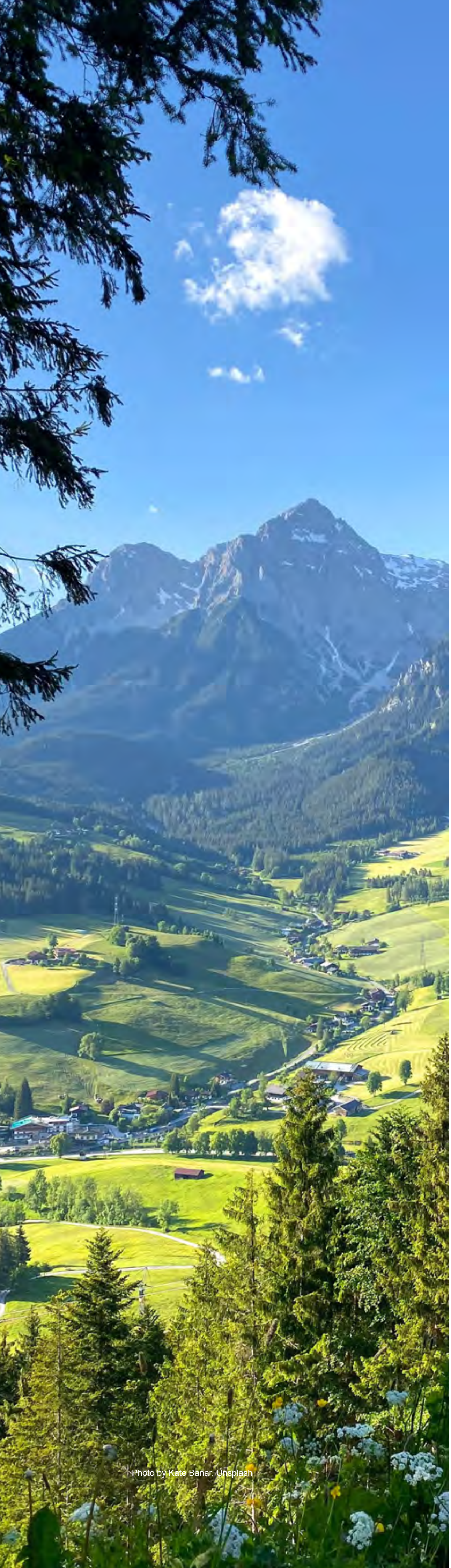


COUNTRY FICHE

AUSTRIA [AT]

In Austria, the use of Territorial Delivery Mechanisms in the 2014-20 period entailed the implementation of two instruments: Sustainable Urban Development strategies included in a Priority Axis of an Operational Programme (SUD PrAx) and Community-Led Local Development (CLLD). SUD PrAx was supported solely through the European Regional Development Fund (ERDF) and was implemented in two regions—Upper Austria, where 16 smaller strategies were put in place, and Vienna, where a strategy with a relatively large budget was implemented. CLLD was implemented only in Tirol through eight strategies. The implementation of Territorial Delivery Mechanisms was decentralised, with strong delegation of powers to the regional level, in line with the country's federal administration model.

POPULATION	STATE TYPE
8.77 million	Federal

NATIONAL ESIF BUDGET

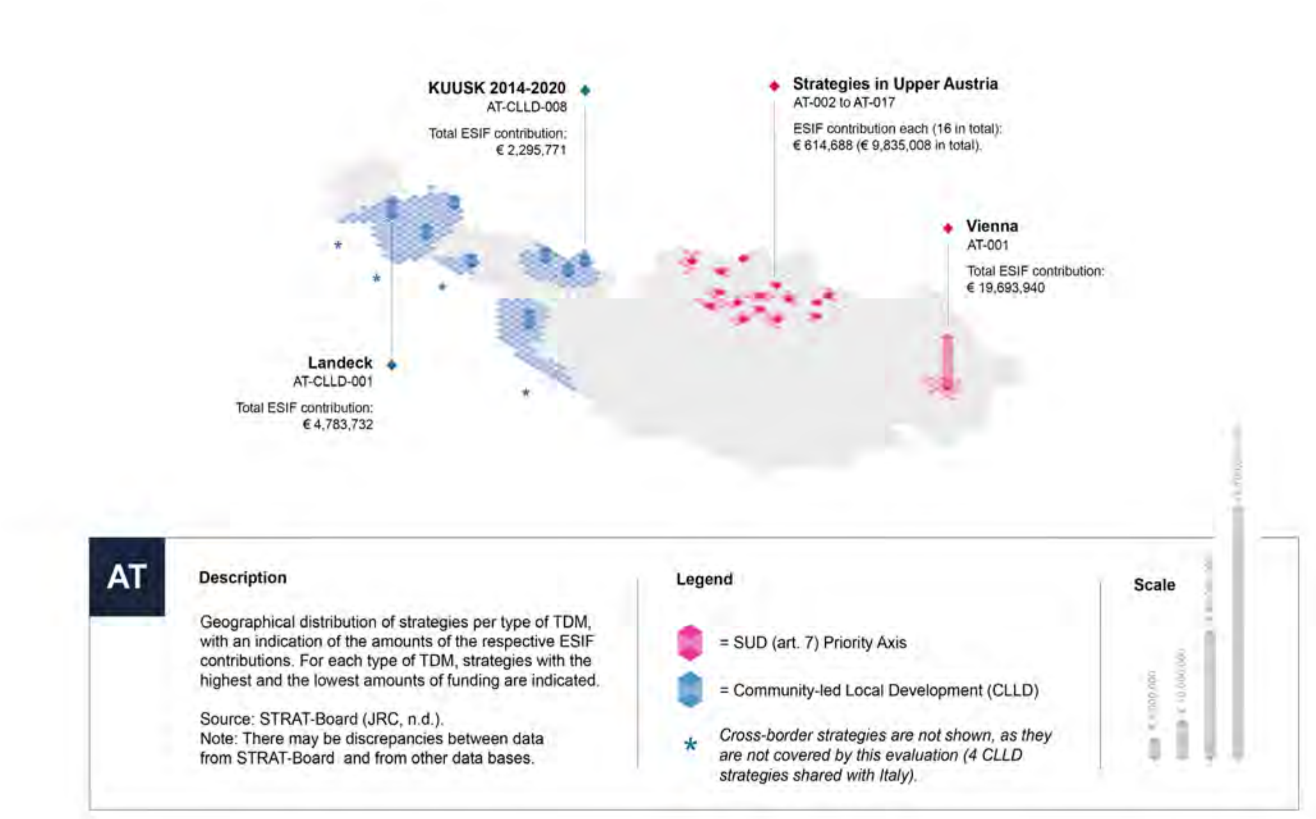
EU Contribution (EUR)	€ 6,694,248,787
National Contribution (EUR)	€ 7,375,379,888
Total Contribution (EUR)	€ 14,069,628,675

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	17	ERDF	4.2%	86%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	8	EAFRD, ERDF	0.9%	65%
TOTAL	**25**	**-**	**5%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Notes: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. In Austria, there were also 4 cross-border CLLD strategies implemented, but they were not covered by this evaluation.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

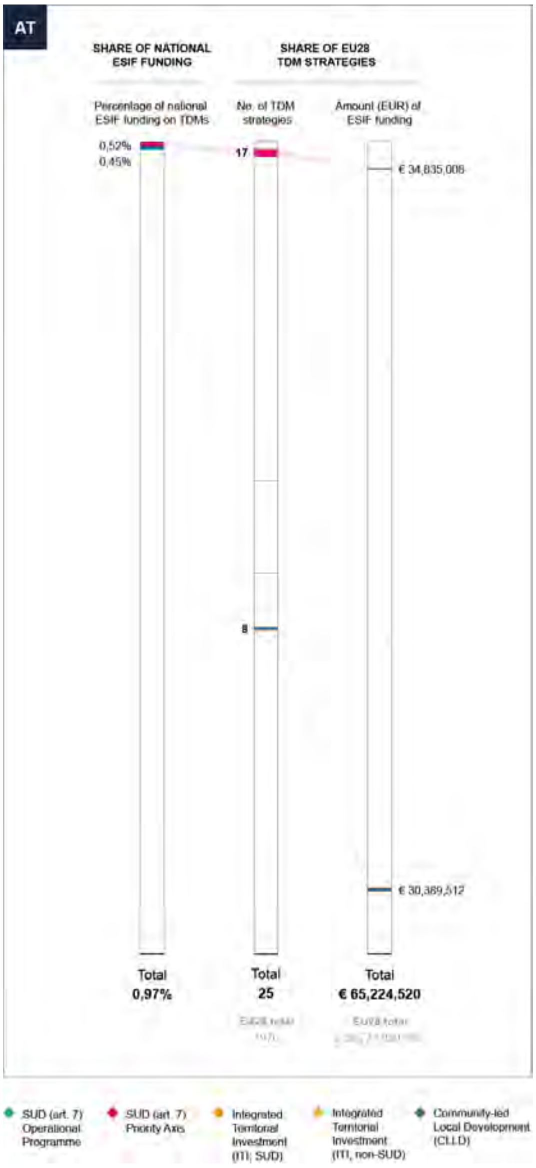
Austria's territorial governance is decentralised, consisting of nine states, each with its own government and parliament. The federal government manages national affairs such as defence and finance, while the states have autonomy in areas like education, healthcare, and regional development. Each state is headed by a governor and has its own constitution. State parliaments pass laws and oversee the state government. Local governments manage municipalities and districts, handling services such as education and waste management. Administrative regions assist in coordinating government functions. This system balances centralised authority with regional autonomy, enabling tailored governance while maintaining national cohesion. The Austrian Conference on Spatial Planning (ÖROK) serves as a national coordination forum, functioning as the national urban and territorial policy body.

COHESION POLICY CONTEXT

During the 2014-20 period, Austria implemented two major national programmes alongside several territorial cooperation programmes. ERDF was channelled through the Investments in Growth and Employment Operational Programme, overseen by ÖROK. This programme prioritised support for innovative Small and Medium Enterprises (SMEs), enhancing their competitiveness, energy efficiency, and resource efficiency. It also allocated funding for sustainable urban development, focusing on climate mitigation strategies and collaboration within functional urban areas. Additionally, the programme piloted CLLD in Tirol and supported Sustainable Urban Development strategies under a dedicated Priority Axis. ESF programme Employment Austria was managed by the Ministry of Social Affairs, Health, Care and Consumer Protection. This programme addressed key challenges in Austria's labour market, such as increasing employment among older workers, boosting women's participation in the workforce, and improving educational outcomes for vulnerable young people, including those with a migration background.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

During the 2014-20 programming period in Austria, Cohesion Policy supported 17 SUD PrAx strategies across two regions—Vienna and Upper Austria. The single strategy in Vienna was the largest, with a budget of €16.7 million, while the 16 strategies in Upper Austria were significantly smaller and focused on smaller cities and towns, including their surrounding municipalities.

All of these strategies were funded solely by the ERDF. The thematic focus of the Upper Austrian strategies was largely consistent, concentrating on low-carbon economies, environmental protection, and resource efficiency. By contrast, the Viennese strategy also emphasised research and innovation, alongside social inclusion.

In Upper Austria, the strategies prioritised the regeneration of underutilised areas and vacant buildings, optimised land use, reduced CO2 emissions, and promoted sustainable mobility. Meanwhile, the SUD strategy in Vienna was aligned with the Smart City Vienna Framework (Smart City Wien Rahmenstrategie), supporting research, innovation, and the development of disadvantaged urban areas.

Many of the Upper Austrian strategies targeted Functional Urban Areas (FUAs), including clusters of small towns. They enabled the pooling of resources and fostered inter-municipal cooperation, effectively addressing urban-rural linkages. In Upper Austria, municipalities were required to establish a city-regional forum (Stadtregionales Forum) to oversee project selection. Projects were assessed by representatives from various municipalities, before being allocated to specific local authorities. In Vienna, project selection was managed by the city authority using a specific assessment framework.

Community-led Local Development

Overall, 8 CLLD strategies were implemented exclusively in Tirol, using a multi-fund approach that combined EAFRD and ERDF funding streams. Additionally, four of the Local Action Groups (LAGs) involved in Austrian CLLD strategies were also part of the Austrian-Italian cross-border CLLD initiatives, though these were not covered by this evaluation.

A decentralised approach was adopted, with the state of Tirol acting as an Intermediate Body. In Tirol, both the ERDF and EAFRD Intermediate Bodies were housed within the same regional government department, which is distinct from other Austrian regions (Kah, 2024). Thematically, Austrian CLLD strategies primarily focused on social inclusion. The LAGs managing these strategies operated as broader regional development agencies within their territories, extending beyond the sole implementation of CLLD strategies (Kah, 2024).

Challenges in fund integration arose due to differing requirements and implementation mechanisms for each fund, but steps were taken to harmonise the national regulations guiding the use of each fund. Another challenge was engaging new actors within pre-existing stakeholder networks that had already been established (Kah, 2024). That said, CLLD strategies helped improve vertical collaboration and the strategic quality of projects by providing a platform for cooperation between regional and local authorities, enhancing knowledge transfer across governance levels (Stampfer, 2020).

* In order to reflect the contribution of various funds to TDMs, in this graph included all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

IN SUM

The implementation of Territorial Delivery Mechanisms in Austria was limited to just three regions and focused on two types of instruments: SUD PrAx and CLLD. These were implemented through the single national ERDF Operational Programme, but in a decentralised manner, delegating powers to the regions and involving local authorities. Notably, SUD PrAx strategies performed well in terms of financial implementation (86% of allocated funds used by the end of 2022) and triggered new collaborations between municipalities in Upper Austria on cross-boundary projects and urban-rural linkages. CLLD, meanwhile, helped improve vertical governance and collaboration between the regional and local tiers of government in mountainous areas.

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Contributors

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Stefan Kah (EPRC, University of Strathclyde)

Photo by Dan Andreea, Unsplash

COUNTRY FICHE

BELGIUM [BE]

Territorial Delivery Mechanisms (TDMs) were implemented across all three Belgian regions. Sustainable Urban Development (SUD) Priority Axis (SUD PrAx) strategies were deployed in the Flemish cities of Ghent and Antwerp, alongside three non-SUD Integrated Territorial Investment (non-SUD ITI) strategies targeting different types of territories in Limburg, Kempen, and West-Flanders. In Wallonia, six Sustainable Urban Development strategies implemented as SUD PrAx were implemented, covering functional areas around cities and focusing on low-carbon solutions and enhancing public spaces. The Brussels Capital Region implements its SUD strategy through a dedicated Operational Programme, focusing on a wide range of thematic areas. All strategies in Belgium benefited from funding from the European Regional Development Fund (ERDF), although the ITI strategies in Flanders received support from the European Social Fund (ESF) as well.

POPULATION	STATE TYPE
11.35 million	Federal

NATIONAL ESIF BUDGET

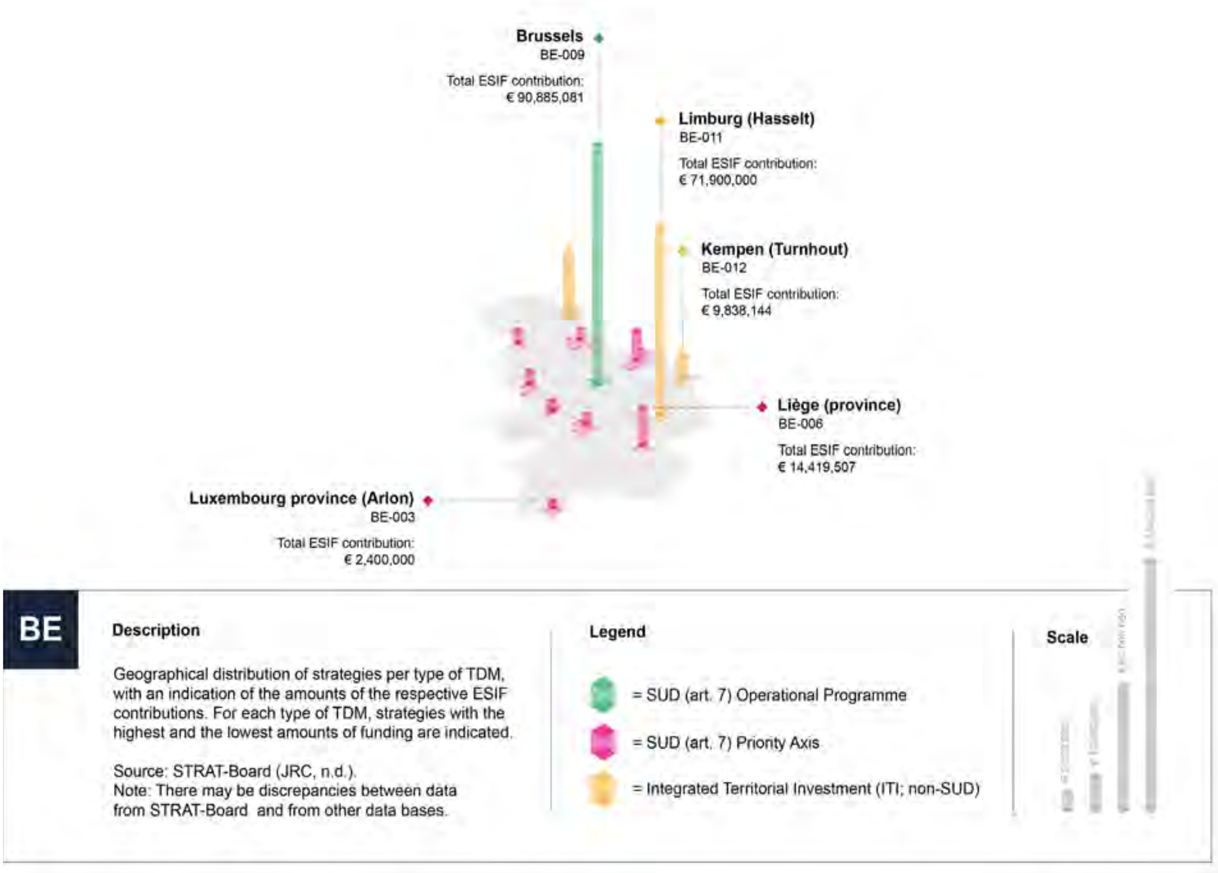
EU Contribution (EUR)	€ 3,260,622,389
National Contribution (EUR)	€ 3,033,353,927
Total Contribution (EUR)	€ 6,293,976,316

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	1	ERDF	8.6%	54%
SUD (Art. 7) Priority Axis	8	ERDF	4.9%	43%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	3	ERDF, ESF	5.8%	80%
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**12**	**-**	**19.3%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

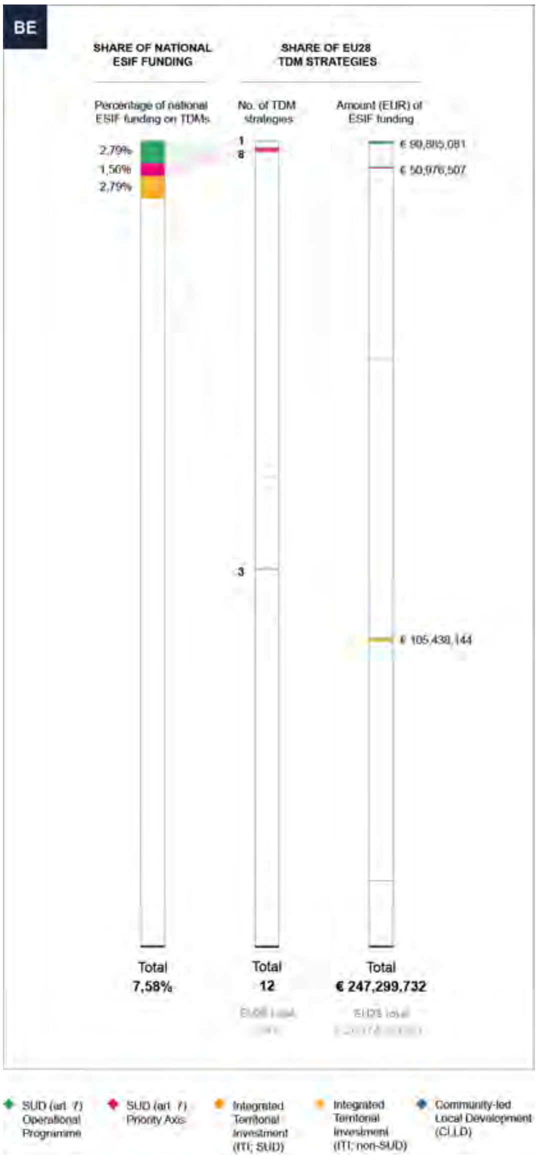
Belgium is a federal country with 3 levels of government: At the top level there is the Federal State, the Communities and the Regions (Flanders, Wallonia, and the Brussels Capital Region). They are on an equal footing but have powers and responsibilities for different fields. The second level consists of 10 provinces, and at the third level are 589 municipalities. In the Belgian governance system, regions also play a key role in shaping planning through framework legislation, primarily manifested in Regional Spatial Development Plans. They also oversee crucial policy areas such as environmental legislation, energy, and building codes. In Flanders, the regional government can additionally create Implementation Plans for specific zones or development projects. Provinces act as an intermediary level, with some policies in their portfolios and a role in inter-municipal coordination. Municipalities across Belgium, especially in Flanders, hold significant authority and a prominent role in shaping spatial development. Recent trends highlight an increase in local autonomy in Flanders, while Wallonia emphasizes integrated planning for functional areas over local autonomy.

COHESION POLICY CONTEXT

Regions have almost complete autonomy in the management of Cohesion Policy. The national government plays a limited role in Cohesion Policy, which is reflected in the way the policy is implemented and Territorial Delivery Mechanisms are organised. The three regions (Flanders, Wallonia, and Brussels Capital Region) have their own ERDF OPs. In addition, there are regional OPs funded by the ESF. Provinces act as an intermediary level, with some policies in their portfolios and a role in inter-municipal coordination. Municipalities across Belgium, especially in Flanders, hold significant authority and a prominent role in shaping spatial development. Recent trends highlight an increase in local autonomy in Flanders, while Wallonia emphasises integrated planning for functional areas over local autonomy.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (art. 7) Operational Programme

There was just one Sustainable Urban Development Operational Programme (SUD OP) strategy in Belgium, covering the Brussels Capital Region. It was one of the four SUD OPs in Europe in 2014-20 (others being Prague, Stockholm and a territory covering 14 cities in Italy). The ERDF unit of the regional authority managed the OP, funded entirely from ERDF. The Managing Authority agreed with the European Commission to consider the whole OP as a SUD strategy in the sense of Art. 7 CPR because the territory corresponded to the city of Brussels and the OP is intrinsically urban in nature. Thus, in this OP, all priority axes contribute to the SUD. As such, the design process of the strategy is dictated by the framework for developing the Operational Programme. The SUD OP had the largest allocation of all Belgian Territorial Delivery Mechanisms and covered the largest population (1.2 million).

Thematically the SUD strategy, thus, focused innovation, low-carbon economy, competitiveness of Small and Medium Enterprises (SMEs), environment and resource efficiency, as well as social inclusion and addressing poverty and discrimination. The TDM targeted the territory of the city, rather than a functional area, however, the investments were centred on deprived neighbourhoods and economic development areas of the city. The deprived neighbourhoods targeted were located near the city centre and the canal area. The aims of interventions therein were to enhance living conditions, decrease unemployment, curb undeclared work, and foster innovation and entrepreneurship. Whereas the focus on development zones aimed at exploiting growth opportunities in specific sectors. Although the geographical concentration of the ERDF was employed in prior strategies (Federal Big City Policy - Politique des Grandes Villes) it only covered deprived areas. The Brussels region faces uneven spatial development which meant that an integrated approach was needed to emphasise economic resilience in both deprived and strategically growing areas by blending ERDF social inclusion goals with green strategies, fostering inclusive partnerships with social economy and voluntary sectors.

Sustainable Urban Development (Art. 7) Priority Axis

There are eight SUD strategies implemented through dedicated OP Priority Axes (SUD PrAx). In the region of Flanders, they cover the cities of Ghent and Antwerp. In Wallonia, the areas of Wallonie Picarde, Hainaut, Charleroi-Sud, Namur, and Liège. The Flemish SUD strategies are managed by the ERDF cell of Flanders Innovation & Entrepreneurship (VLAIO), while the Walloon ones are managed by the Walloon Government.

The SUD strategies mostly covered a combination of objectives to improve attractiveness of urban centres, competitiveness and the reduction of environmental impacts, combining SUD Priority Axis with additional two Priority Axes within the ERDF OP.

In Flanders, the SUD strategies were concentrated on the territories of the two biggest cities of the region (Antwerp and Ghent), rather than focusing on Functional Urban Areas (FUAs). Thematic focus was on economic growth, aligning with Europe 2020 goals, and to create jobs through

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

investments in the knowledge economy, SMEs, and transitioning to a low-carbon economy. Funding priorities include research and innovation, SME competitiveness, low-carbon initiatives, climate adaptation, environmental preservation, and social inclusion. Emphasis was placed on experimentation in living labs, innovative technology dissemination, housing renovation for energy neutrality, sustainable urban mobility, and social inclusion through small-scale urban projects.

By contrast, in Wallonia, the SUD strategies were based on the functional area approach (Bassin-de-vie) rather than on territories within the administrative boundaries of cities. The biggest one, in terms of allocation of ERDF monies, is the SUD strategy for the FUA of Liège. Thematically, the Walloon SUDs focused on strengthening research, innovation, and infrastructure collaboration between businesses, research centres, and education. The aim was to boost SME creation, invest in education and training, promote a low carbon economy, and preserve the environment by encouraging resource efficiency and eco-innovation for sustainable urban development.

Non-Sustainable Urban Development Integrated Territorial Investment

What distinguishes the Flemish approach to Territorial Delivery Mechanisms is also the use of Integrated Territorial Investment (ITI) as non-SUD strategies. Unlike the other TDMs in Belgium, these ITIs integrate funding from both ERDF and ESF. Their rationale is to support regional socio-economic development strategies. There are three ITIs covering a population of 2.47 million. They are managed by Flanders Innovation & Entrepreneurship (VLAIO) agency of the Flemish Government, supported by territory-specific steering groups. These TDMs cover the territories of West Flanders (West Deal strategy), Kempen (DYNAK strategy), and Limburg (SALK strategy). The latter is the biggest in terms of ERDF allocation due to the specific demands concerning mitigation of the effects of the closing of the Ford factory. Thematically, they share the same objectives: investment in research and innovation, low-carbon economy, as well as competitiveness of SMEs, in an effort to dynamise the local economy.

Coordination and citizen participation as part of Ghent's SUD strategy

Ghent's approach to its SUD strategy stands out in terms of its approach to coordination, multi-actor involvement and citizen participation. Internally, the city government established a special coordination unit for EU funds which helped coordinate activities across municipal departments, while the 'city contracts' concluded between the municipality and the regional government (Flanders) allowed for better flow of information across the departments involved at both regional and local levels. The city also collaborated with a broad network of actors on the SUD strategy implementation, supported by its urban development company and neighbourhood managers. Finally, the implementation of Ghent's SUD strategy involved citizens and local associations both in formulation of projects to be receive funding and in their implementation. As a result of these participatory activities the SUD included a focus on regeneration of Ghent's old Docks, public transport and synergising hard and soft policy measures (Fioretti et al., 2020).

IN SUM

Belgium experimented with a differentiated set of Territorial Delivery Mechanisms during 2014-20, leading to improved targeting of local development needs. The SUD OP strategy in the Brussels region, in particular, focused on specific urban areas most in need of intervention, drawing on input from a range of stakeholders. The deprived neighbourhoods targeted were near the city centre and the canal area. SUD PrAx strategies also addressed local needs in major cities of Flanders and specific challenges within Functional Urban Areas (FUAs) in Wallonia. Additionally, non-SUD ITIs in Flanders tackled specific socio-economic challenges in the covered territories. Regarding functional linkages, SUD PrAx strategies in Wallonia strengthened integrated responses to challenges within FUAs, aligning with the domestic urban policy approach. There is also evidence that SUD strategies in Brussels and Flemish cities, in particular, facilitated the establishment of new partnerships in local contexts and actively engaged local communities.

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COUNTRY FICHE

BULGARIA [BG]

Two types of Territorial Delivery Mechanisms were implemented in Bulgaria during the 2014-20 period: 39 Sustainable Urban Development (SUD) strategies, funded by the European Regional Development Fund (ERDF), and implemented through the Operational Programme's Priority Axis (SUD PrAx); and 73 Community-Led Local Development (CLLD) strategies, which integrated several funding streams, including ERDF, the European Social Fund (ESF), and the European Agricultural Fund for Rural Development (EAFRD). Substantial resources were dedicated to these Territorial Delivery Mechanisms, amounting to nearly 15% of Bulgaria's ERDF and Cohesion Fund (CF) allocation. Although Territorial Delivery Mechanisms in Bulgaria were managed centrally, which limited the scope for formulating place-based strategies, the strategies nonetheless triggered significant governance innovation and helped develop capacities at the local level.

POPULATION	STATE TYPE
6.44 million	Centralised

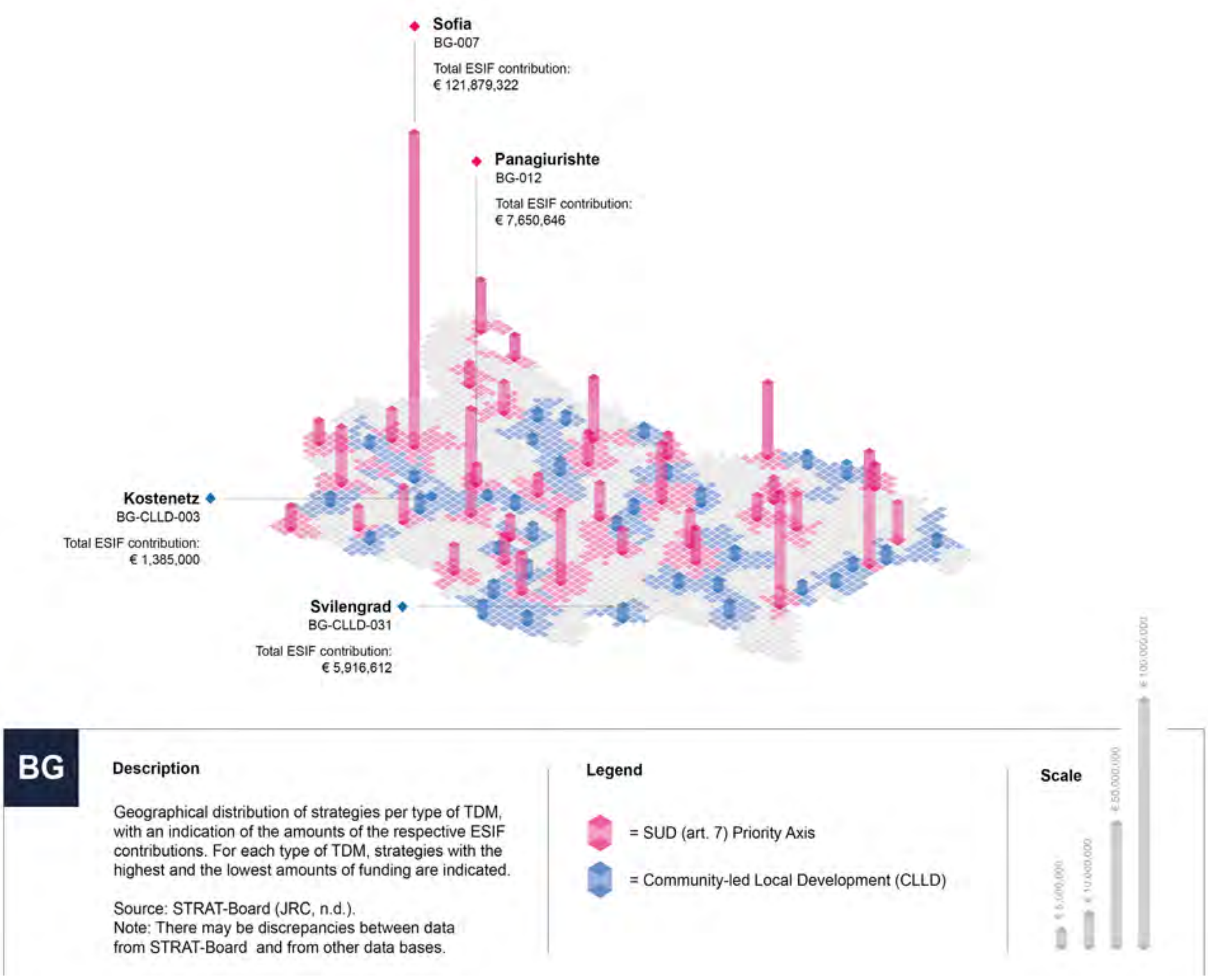
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 11,134,186,249
National Contribution (EUR)	€ 1,886,656,354
Total Contribution (EUR)	€ 13,020,842,603

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	39	ERDF	14.3%	80%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	39	EAFRD, ESF, ERDF	0.6%	74%
TOTAL	**78**	**-**	**14.9%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

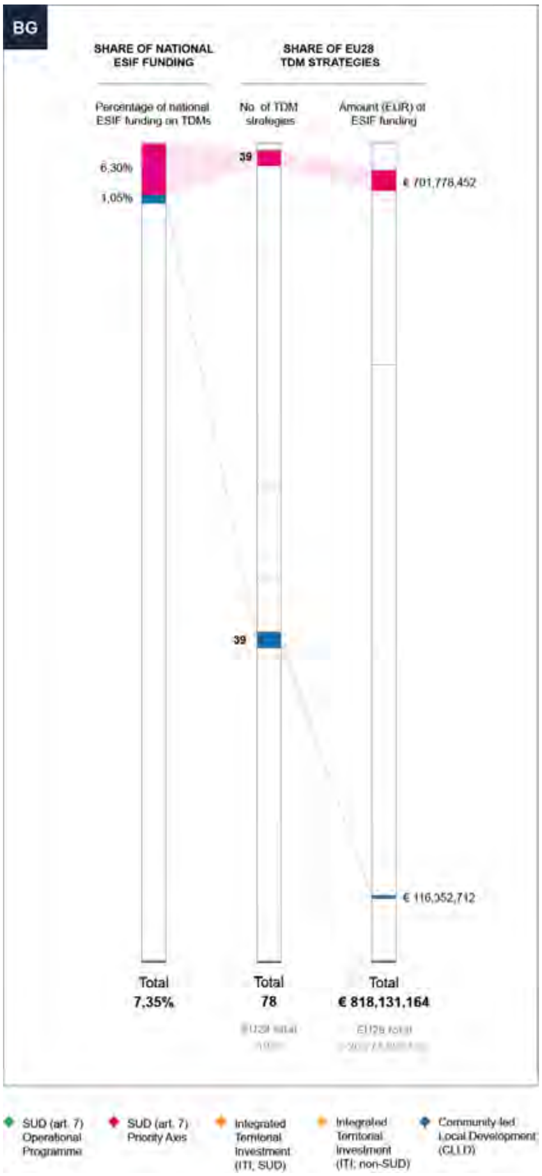
Bulgaria's territorial governance is based on a unitary state model with a centralised administration. The regional level comprises six planning/statistical regions at the NUTS 2 level, which are not administrative units and have no governmental structures attached to them. The country is further divided into 28 districts at the NUTS 3 level (oblasts), each with its own governor and district administration. The governor is appointed by the government, while the district administration is a deconcentrated body of the state. At the local level, Bulgaria includes 265 municipalities. Although Bulgaria has undergone various administrative reforms since the 1990s, it remains a largely centralised country. Municipalities manage local administration, including education, healthcare, and infrastructure, with municipal councils responsible for decision-making at the local level. While districts have some autonomy, the central government maintains significant control over key areas. This unitary system aims to balance centralised governance with district representation, ensuring uniformity while accommodating local needs. Some form of regionalisation is also promoted through Cohesion Policy, with funding targeted at the regional (NUTS 2) level during the 2021-27 period via Integrated Territorial Investments.

COHESION POLICY CONTEXT

Cohesion Policy is a key instrument for implementing regional policy in Bulgaria. It is executed through National Operational Programmes (OPs). Before the introduction of Territorial Delivery Mechanisms in 2014-20, implementation responsibilities lay entirely with national ministries and agencies. This more centralised structure of Cohesion Policy implementation in Bulgaria reflects the absence of regionalised administrations and regionally elected governments. Given the growing regional disparities between the capital and the rest of the country, Cohesion Policy during the 2014-20 period placed a stronger emphasis on promoting polycentric development as a means of addressing these disparities. This was predominantly supported through two Territorial Delivery Mechanisms, SUD PrAx and CLLD, and was based on the Bulgarian National Concept for Spatial Development 2013-25.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



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Sustainable Urban Development (Art. 7) Priority Axis

The Bulgarian National Concept for Spatial Development 2013-2025 identified 67 towns and cities as regional centres, categorised into hierarchical levels from 1 to 4. These cities and towns are distributed across all six NUTS 2 regions. The settlements classified under hierarchical levels 1 to 3 were supported under SUD PrAx with the aim of reducing territorial imbalances in the country. For the first time in Bulgaria, municipalities played a significant role in Cohesion Policy during the 2014-20 period, as 39 large and medium-sized urban municipalities were appointed as Intermediate Bodies, with delegated authority to assess and select projects for funding. In the centralised approach adopted in Bulgaria, all SUD PrAx strategies were supported by the ERDF and addressed the same thematic objectives. These ranged from supporting environmental protection and improvements in resource efficiency (the largest share of the allocation) and the transition towards a low-carbon economy, to themes within the social domain, such as social inclusion, education, and skills training.

The size of the allocations for the different SUD PrAx strategies varied significantly, from nearly €122 million in ERDF funding for the strategy implemented in Sofia, the capital city, to €7.6 million for Panagyurishte in Southern Bulgaria. Overall, the SUD PrAx strategies performed well in terms of financial implementation, with 80% of the allocated funding spent by the end of 2022.

Community-led Local Development

In Bulgaria, CLLD was regarded as the successor to the LEADER initiative implemented during the 2007-2014 period. Building on the foundations laid by LEADER, the Local Action Groups (LAGs) established earlier were able to access a broader range of funds beyond the European Agricultural Fund for Rural Development (EAFRD), including the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the European Maritime and Fisheries Fund (EMFF). As a result, the available budget for CLLD was nearly four times larger than in the previous period.

In total, 39 CLLD strategies were funded in Bulgaria, they allowed for the integration of up to five national programmes, providing LAGs with the flexibility to utilise multiple sources of funding. For example, the LAG Troyan-Apriltsi-Ugarchin used funds from three of these programmes: Innovations and Competitiveness (ERDF), Human Resources Development (ESF), and Rural Development (EAFRD). Coordination of CLLD involved five national Managing Authorities responsible for the eligible Operational Programmes, with the Ministry of Agriculture, Food, and Forestry overseeing the process.

One of the notable changes introduced by CLLD was the expansion of territories covered by the LAGs. In addition to rural and maritime municipalities, CLLD included 'territories with specific characteristics,' as defined by the National Concept for Spatial Development 2013-2025. Consequently, CLLD encompassed all types of territories in Bulgaria except for urban municipalities.

While the availability of funding from different EU sources was generally seen as positive for the integrated development of territories, the complexity of combining these funds and the limited administrative capacity posed

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

significant challenges. Furthermore, although responsibilities were delegated to the local level, genuine devolution to lower territorial levels was constrained by the centralised administrative system of the country and the absence of a regional government tier.

That said, CLLD strategies generated significant added value. They provided local territories that would otherwise have limited access to funding with new opportunities. They contributed to increasing trust, knowledge, and skills among local stakeholders, enhanced transparency, and promoted local ownership. The previously established LAGs played a crucial role in coordinating activities within their territories and benefited from the LEADER networking system at both national and EU levels.

Boosting the capacity of Local Action Groups and municipalities through CLLD

In Bulgaria, CLLD strategies provided municipalities and Local Action Groups (LAGs) with new responsibilities in the design, management, and implementation of local development projects. Many of the LAGs were initially established under the LEADER programme, which expanded their activities and enhanced their capacities when implementing CLLD. Given the limited fiscal resources available at the local level in Bulgaria, this has presented a significant new opportunity. CLLD strategies addressed various local needs, including infrastructure, education, culture, sports, vibrant and accessible urban environments, recreation, and energy efficiency. With these additional responsibilities, local administrations also developed their capacity in project management and implementation, although the extent of this development varied. Under CLLD, some LAGs combined objectives linked to different Operational Programmes (OPs) and EU funds. This approach allowed them to allocate support across various sectors, addressing both ‘hard’ and ‘soft’ measures. While some funding helped local businesses expand their economic activities, other projects focused on reducing social exclusion. For example, support was provided to social enterprises that create jobs for marginalised groups, youth, and those nearing retirement age. Efforts to promote social inclusion were also evident in the education sector. A key lesson learned from CLLD implementation in Bulgaria was that, to ensure a more balanced distribution of funds across different territories and to prevent the concentration of resources in larger municipalities, closer cooperation between municipalities should be encouraged.

IN SUM

While the centralised approach to managing Territorial Delivery Mechanisms somewhat limited the potential for developing more place-specific strategies tailored to local needs, it also spurred innovation in several ways. Firstly, the SUD PrAx strategies involved municipal governments in the management of Cohesion Policy for the first time, enhancing their role in implementing national spatial policy and helping them to develop administrative capacity. Meanwhile, CLLD strengthened the role of local authorities and stakeholders in supporting local development by broadening the scope of action and expanding the territories of the LAGs. This approach also increased trust among local stakeholders and channelled funding to beneficiaries who might otherwise have struggled to secure support for their initiatives.

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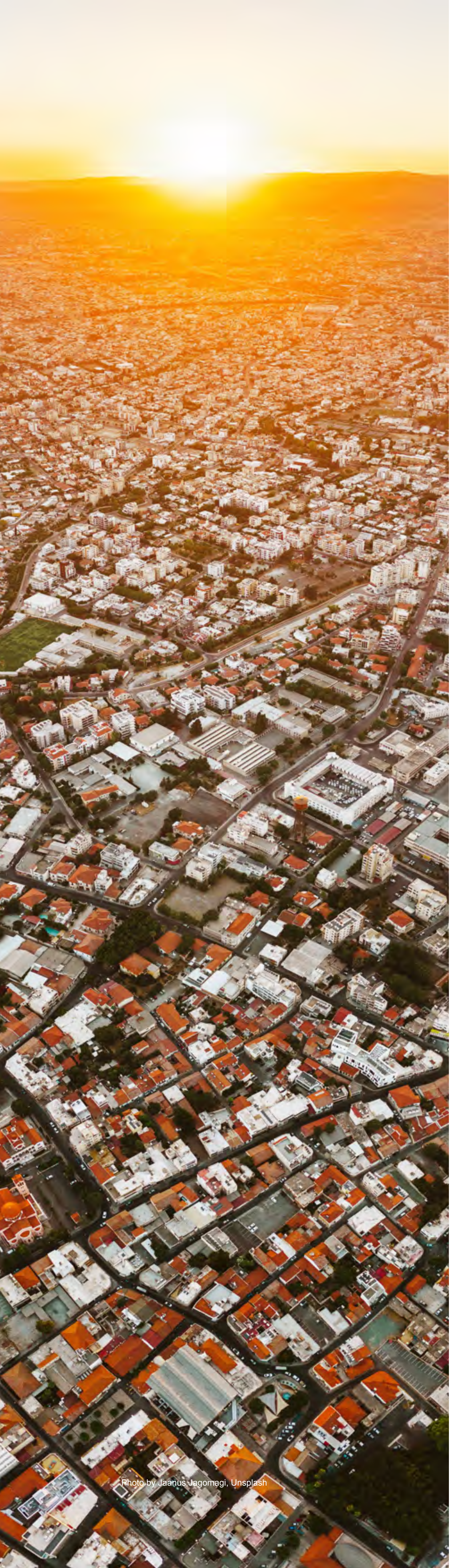


Photo by Jaanus Jagomagi, Unsplash

COUNTRY FICHE

CYPRUS [CY]

Cyprus implemented only one Territorial Delivery Mechanism, namely Sustainable Urban Development (SUD) strategies as part of a Priority Axis of the National Competitiveness and Sustainable Development Operational Programme. All four strategies implemented were supported by the European Regional Development Fund (ERDF).

POPULATION	STATE TYPE
0.85 million	Centralised

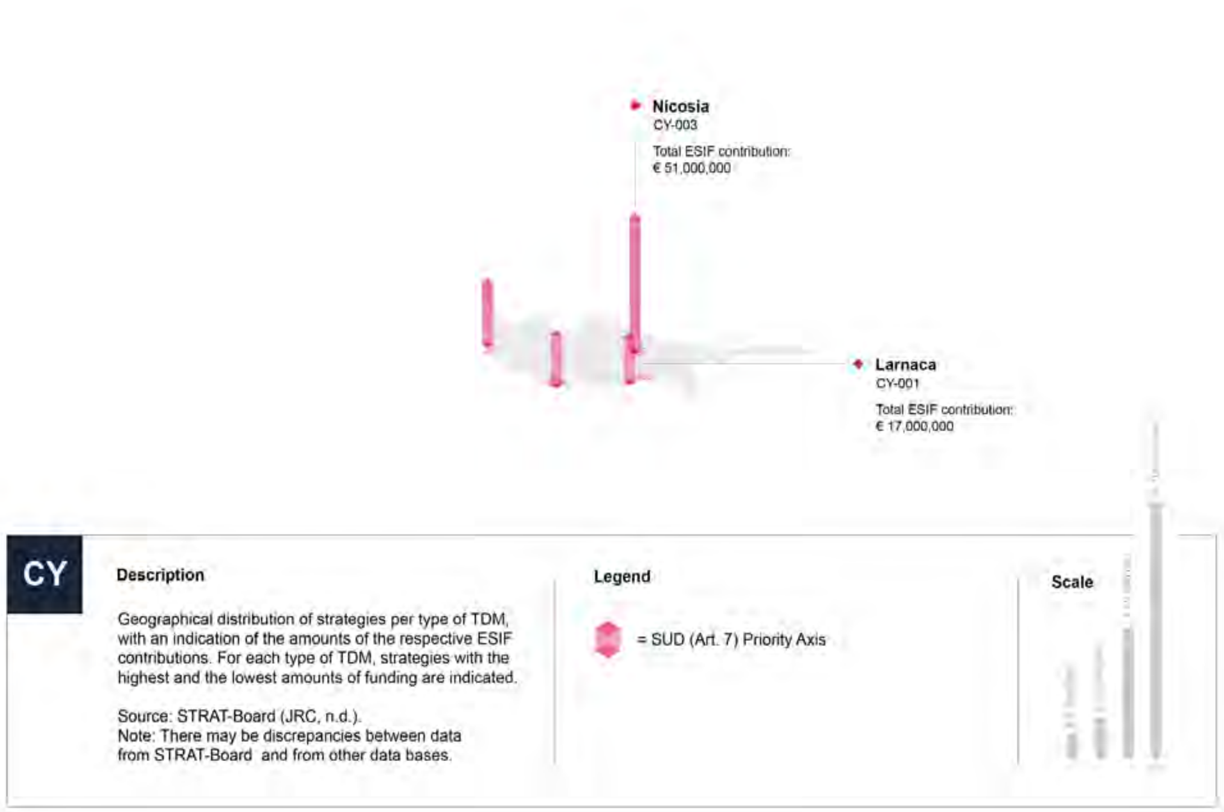
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 1,113,884,281
National Contribution (EUR)	€ 277,818,690
Total Contribution (EUR)	€ 1,391,702,971

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	4	ERDF	23.7%	74%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**4**	**-**	**3.86%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commssion, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies"



GOVERNANCE CONTEXT

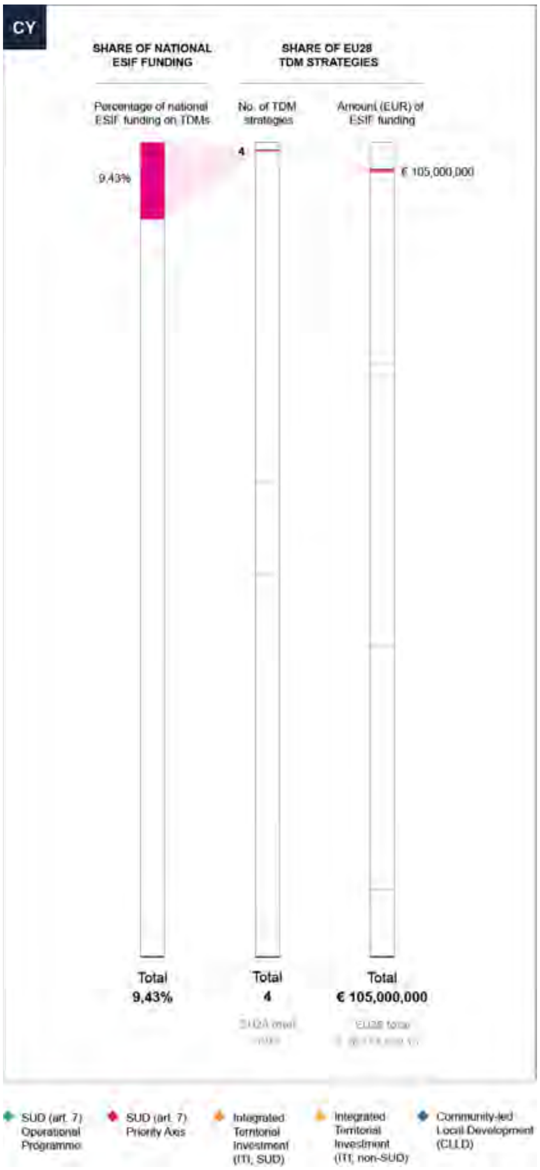
Cyprus' territorial governance is structured as a unitary state. The island is divided into six administrative districts, each with its own district administration. The central government, based in Nicosia, oversees national matters such as defence, foreign affairs, and finance. Municipalities and communities within the districts handle local administration, including education, healthcare, and infrastructure. Local councils are responsible for decision-making at the grassroots level. While districts have some autonomy, the central government maintains significant control over key areas. This unitary system aims to ensure uniform governance while accommodating local needs and preferences within the framework of national cohesion.

COHESION POLICY CONTEXT

During the 2014-20 Cohesion Policy period, four programmes were implemented in Cyprus. The two main Operational Programmes were the Competitiveness and Sustainable Development Programme, supported by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF), and the Employment, Human Capital and Social Cohesion Programme, funded by the European Social Fund (ESF) and the Youth Employment Initiative (YEI). The former included a relatively large share of CF resources and focused mainly on environmental protection and resource efficiency, the low-carbon economy, research and innovation, resilience, and the competitiveness of small businesses. The latter programme primarily targeted social inclusion, employment, and improving resilience. The remaining two programmes addressed, respectively, the specific needs of rural development as well as the maritime and fisheries sector. The entire territory of Cyprus is categorised as a single NUTS2 region and a more developed region.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

In total, four Sustainable Urban Development (SUD) Priority Axis strategies were implemented across Cyprus. They were used in the cities of Nicosia, Larnaca, Paphos, and Limassol. The strategies were managed centrally by the Directorate General for European Programmes Coordination and Development, with the municipal governments playing the role of implementing bodies. In terms of territorial focus, the strategies focused on specific, less developed parts of the cities, for instance in the old town of Paphos, where investments targeted urban regeneration, or on the central area of Nicosia where the presence of the demilitarised zone next to the border with Northern Cyprus negatively impacted urban development, economic welfare and sustainability of the built environment (Interreg Europe, 2021). In terms of financial implementation, Sustainable Urban Development strategies performed better than mainstream Cohesion Policy funding, with 74% of funding decided absorbed by these strategies the end of 2022 as compared to 60% for mainstream programmes in the same period.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

IN SUM

Territorial Delivery Mechanisms in Cyprus were utilised only in four cities, with a focus on specific deprived areas. However, a relatively large amount of ERDF/CF resources were allocated through these strategies. The emphasis on these areas in need of investment and urban regeneration channelled EU funding to address the specific development needs of these territories. Additional case study research is needed to draw firmer conclusions on the extent to which the use of the strategies helped deliver more place-based interventions with strong territorial rationales, and whether the implementation triggered governance innovation and mobilisation of local stakeholders. Given the concentration on specific urban areas, functional territorial linkages were not necessarily strengthened by the use of the SUD Priority Axis Territorial Delivery Mechanism

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Photo by Gabriella Clare Marino, Unsplash

COUNTRY FICHE

CZECHIA [CZ]

Between 2014 and 2020, Territorial Delivery Mechanisms were deployed across virtually the entire territory of Czechia. Three types of these instruments were used. Firstly, a single Sustainable Urban Development (SUD) strategy was implemented in Prague through a dedicated Operational Programme (SUD OP), which was the largest strategy in budgetary terms. This programme combined support from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Secondly, seven Sustainable Urban Development strategies were implemented in larger urban areas through the Integrated Territorial Investment (ITI) mechanism. These strategies sought to integrate funding streams from the ERDF and the Cohesion Fund (CF). Finally, a large number of Community-led Local Development (CLLD) strategies were deployed across the country, combining three funding sources: the ERDF, the ESF, and the European Agricultural Fund for Rural Development (EAFRD).

POPULATION	STATE TYPE
10.57 million	Decentralised

NATIONAL ESIF BUDGET

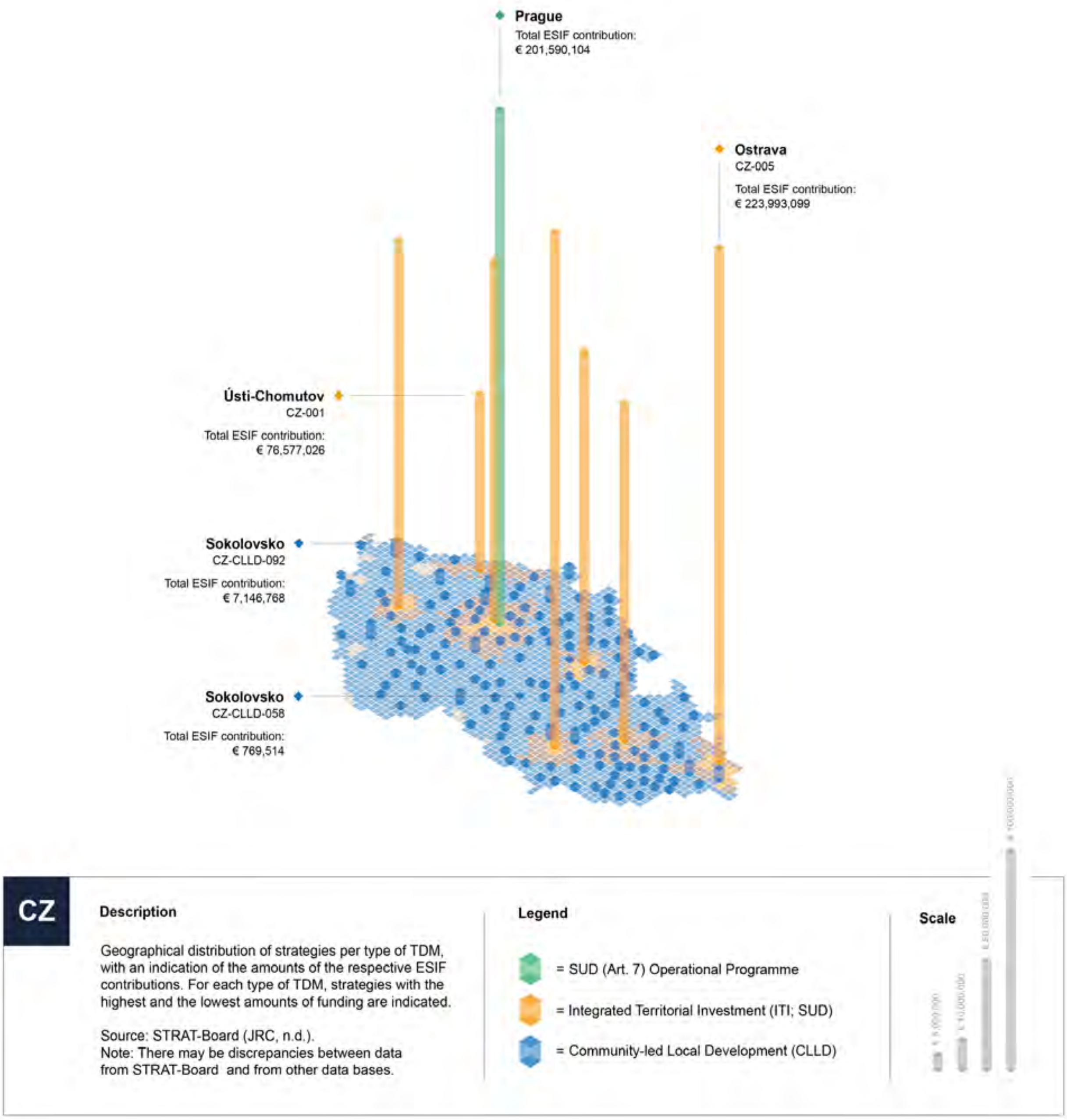
EU Contribution (EUR)	€ 25,783,055,086
National Contribution (EUR)	€ 9,117,985,358
Total Contribution (EUR)	€ 34,901,040,444

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	1	ERDF, ESF	0.9%	68%
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	7	ERDF, CF	5%	78%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	178	ERDF, ESF, EAFRD	2.5%	82%
TOTAL	**186**	**-**	**8.4%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Czechia operates as a decentralised country with three levels of government. While regional and local authorities are responsible for tasks and duties within their respective territories, they have limited autonomy in legislative and fiscal matters. The country consists of 14 self-governing regions but is highly fragmented at the local level, with over 6,200 municipalities. Czechia has a well-defined national urban policy known as The Principles of Urban Policy (Zásady Urbánní Politiky). This policy, developed by the Ministry of Regional Development in 2010 and updated in 2017, serves as a framework for coordinating urban development efforts across all levels of government. It integrates sectoral policies with urban strategies to ensure cohesive development. The Ministry of Regional Development is responsible for this national urban policy, with related initiatives taking place at the national, regional, and city levels. These initiatives often rely on support from Cohesion Policy funds.

COHESION POLICY CONTEXT

A relatively large number of Operational Programmes (OPs)—no fewer than seven—contribute to the Territorial Delivery Mechanism strategies in Czechia. Notably, Czechia allocated almost 10 per cent of its national ERDF budget to sustainable urban development. There are two ERDF-only OPs. The first is the Integrated Regional Operational Programme, managed by the Ministry for Regional Development. It focuses on supporting regional development and improving public administration and public services in the Czech Republic, particularly in the areas of education, healthcare, social services, social inclusion, regional transport, urban development, and culture. The second is the OP Enterprise and Innovation for Competitiveness, managed by the Ministry of Industry and Trade. It focuses on research and innovation, entrepreneurship and the competitiveness of Small and Medium Enterprises (SMEs), energy and resource efficiency in SMEs, and the development of high-speed internet networks and ICT services.

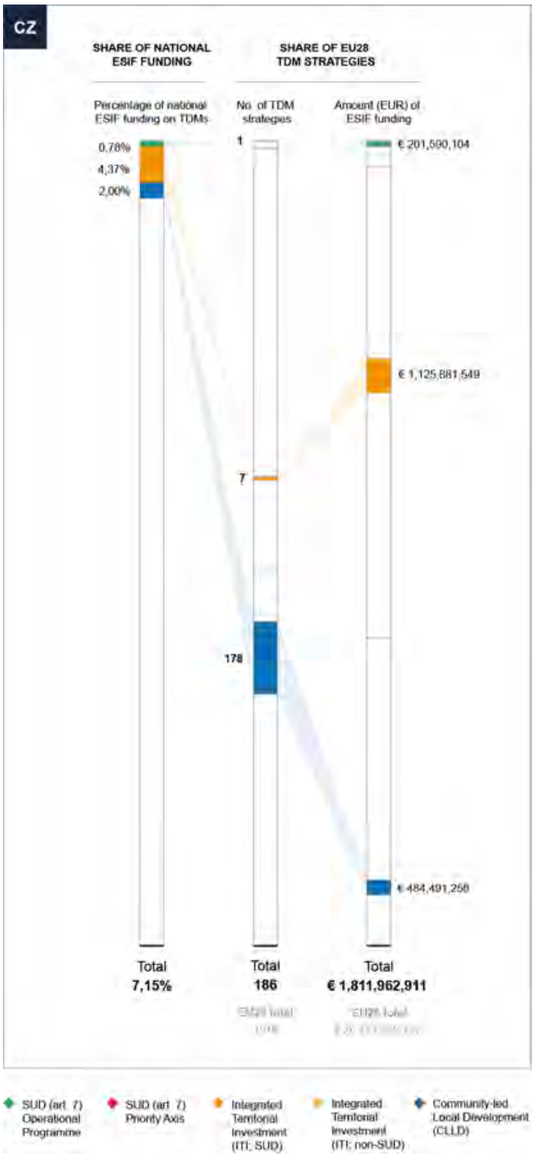
There are also several multi-fund OPs. The Research, Development and Education programme, combining ERDF and ESF funding and managed by the Ministry of Education, Youth and Sports, funds initiatives promoting inclusive education at all levels, facilitating equal access to high-quality pre-school, primary, and secondary education.

The Environment OP, funded by ERDF and CF and managed by the Ministry of the Environment, supports improvements in water quality and flood risk management, air quality, waste and resource efficiency, conservation and care of nature and landscapes, and energy savings in the public sector. The OP Transport, overseen by the Ministry of Transport, also combines ERDF and CF funding streams to promote sustainable transport and develop network infrastructures.

Last but not least, there is the dedicated SUD OP for Prague (OP Prague – Growth Pole), managed by the municipal government. More details on this programme, which falls under the category of Territorial Delivery Mechanisms, are provided below.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Operational Programme

A single SUD OP strategy was implemented in Czechia's capital, Prague, with an EU contribution of €201 million, combining ERDF and ESF funding. The strategy aimed to enhance research, technological development, and innovation, promote sustainable urban mobility and energy efficiency in public buildings, and support social inclusion and education. Although technically a SUD strategy, local policymakers did not view it as a territorial instrument like the CLLD and ITI strategies, but rather as a standard OP focused on Prague. This strategy empowered the municipal government of Prague to take a leading role in directing EU funding, leveraging its experience and strong administrative capacity. The City of Prague acted as the Managing Authority (MA), with no Intermediate Bodies involved.

While the SUD OP addressed Prague's specific needs, its focus on areas within the city's boundaries limited its impact on broader spatial integration, especially since a separate SUD ITI strategy was implemented in Prague's Functional Urban Area. Studies indicated that Prague's development needs could have been met through other means, albeit more slowly, even without this dedicated OP. The strategy mainly supplemented existing domestic initiatives and filled a funding gap, as most EU resources were directed to less developed regions. However, initial regulatory challenges delayed implementation, similar to other OPs in Czechia. Consequently, the SUD OP strategy for Prague was discontinued for the 2021-2027 period.

Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 programming period, Czechia implemented seven SUD ITI strategies, supported by ERDF, CF, and ESF funds. These strategies covered a wide range of thematic objectives, with particular emphasis on network development and the low-carbon economy.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

The strategies were shaped by a mix of top-down directives from the National Coordination Authority, which defined thematic scopes and financial allocations, and decentralised decision-making by local authorities acting as Intermediate Bodies.

The key value of SUD ITI in Czechia lay in strengthening links within Functional Urban Areas (FUAs) and fostering new collaborations, as seen in the Hradec Králové and Pardubice agglomeration. Here, the strategy enhanced functional connections between the two cities, demonstrating a clear intervention logic. The spatial boundaries for the SUD ITI in Hradec-Pardubice combined national territorial criteria with local flexibility, allowing urban authorities to adapt the criteria based on commuting patterns and other local specificities. However, in some cases, the demarcation of FUAs was driven more by political or financial considerations than by functional needs.

The collaborative approach of SUD ITI enabled more integrated, partnership-based projects compared to mainstream Cohesion Policy. For instance, the Hradec-Pardubice SUD ITI supported inter-university flagship projects promoting innovation. Additionally, SUD ITI effectively targeted specific regional development needs within FUAs, as demonstrated by the ITI in Ústí nad Labem-Chomutov, which focused on improving transportation, environmental revitalisation, economic competitiveness, and social cohesion in a region historically dependent on heavy industry.

Despite these benefits, the approach increased administrative complexity for city authorities and Intermediate Bodies. However, close cooperation with applicants resulted in higher success rates. A notable challenge was the limited engagement of citizens and local communities in these strategies.

Mobilisation of new stakeholders in SUD ITI in Hradec-Pardubice

The SUD ITI strategy in Hradec-Pardubice sparked new collaborations in the region, notably through the unprecedented engagement of knowledge sector actors and companies, facilitated by the City of Pardubice acting as an Intermediate Body. The strategy was closely aligned with the Regional Innovation Strategy (RIS3), and collaboration between universities in the two core cities of the Functional Urban Area was highlighted as a key element. To support this, a cross-sectoral R&D thematic working group was established to identify potential projects. Over time, the partnership with local universities extended beyond the ITI framework. 'Flagship' projects, particularly those related to industrial clusters, were instrumental in fostering new collaborations. Cooperation between the universities became a prerequisite for applying for funding for these flagship projects, leading to long-term partnerships that continued beyond the project's duration. Similarly, new collaborations between local authorities and companies were initiated through these flagship projects.

Community-led Local Development

CLLD was extensively implemented across nearly the entire Czech Republic, with eligibility extending to municipalities with populations under 25,000. Only 5% of the Czech population resides in areas not covered by CLLD. The majority of ERDF, ESF, and EAFRD funding was directed towards social inclusion initiatives, though a smaller portion was allocated to environmental protection. The primary goals were to reduce local unemployment, harness the economic potential of rural areas, improve conditions for socially excluded individuals or those at risk, preserve cultural heritage, and enhance local services, including transport. Notably, most LAGs successfully integrated all three funding sources (Konečný, 2020).

The implementation of SUD ITIs combined top-down directives with bottom-up inputs, where Managing Authorities played a key role in shaping CLLD strategies but also allowed for local adaptation. CLLD management was shared between two ministries: the Ministry of Agriculture, which set standards for LAGs, and the Ministry of Regional Development, which oversaw the approval of CLLD strategies. Both ministries served as managing authorities for the operational programmes supporting CLLD (Konečný, 2020).

The Czech CLLD model is characterised by its fragmentation, reflecting the small scale of local governments. Consequently, Czech LAGs were smaller compared to their counterparts in other countries. Additionally, the approach was largely non-selective, with nearly all previously established LEADER LAGs receiving funding through CLLD. Another distinctive aspect was the strong influence of public sector representatives, particularly mayors, within the LAGs, with relatively limited involvement from non-profit organisations and associations. Building on the LEADER initiative, a bottom-up association was formed, bringing together 169 LAGs to foster cooperation among rural development stakeholders, share knowledge, and strengthen the role of LAGs in managing EU funds, supported by regional networks and LAG associations (Konečný, 2020).

IN SUM

Czechia's approach to Territorial Delivery Mechanisms was extensive in terms of territorial coverage. While the impact of the SUD OP strategy on improving strategic planning and developing functional linkages was limited, SUD ITI strategies significantly institutionalised cooperation within FUAs and supported integrated initiatives. Meanwhile, CLLD strategies, though fragmented, built on the LEADER experience and supported social inclusion projects across almost the entire Czech territory, fostering extensive collaboration among networks of LAGs and rural development stakeholders nationwide. Finally, it should be noted that, overall, Territorial Delivery Mechanisms, despite some administrative hurdles, performed well in terms of financial implementation, surpassing mainstream Cohesion Policy initiatives in this regard.

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COUNTRY FICHE

GERMANY [DE]

In the 2014-20 period, Germany implemented a total of 134 Territorial Delivery Mechanism strategies. Of these, 103 Sustainable Urban Development (SUD) strategies were executed through a Priority Axis of Operational Programmes (SUD PrAx), primarily using funding from the European Regional Development Fund (ERDF). Integrated Territorial Investment (ITI) was employed in eight strategies, covering coastal areas and islands in the state of Schleswig-Holstein, also supported by ERDF. Additionally, 23 Community-led Local Development (CLLD) strategies were implemented in Saxony-Anhalt, combining funding from ERDF, the European Agricultural Fund for Rural Development (EAFRD), and the European Social Fund (ESF).

POPULATION	STATE TYPE
82.5 million	Federal

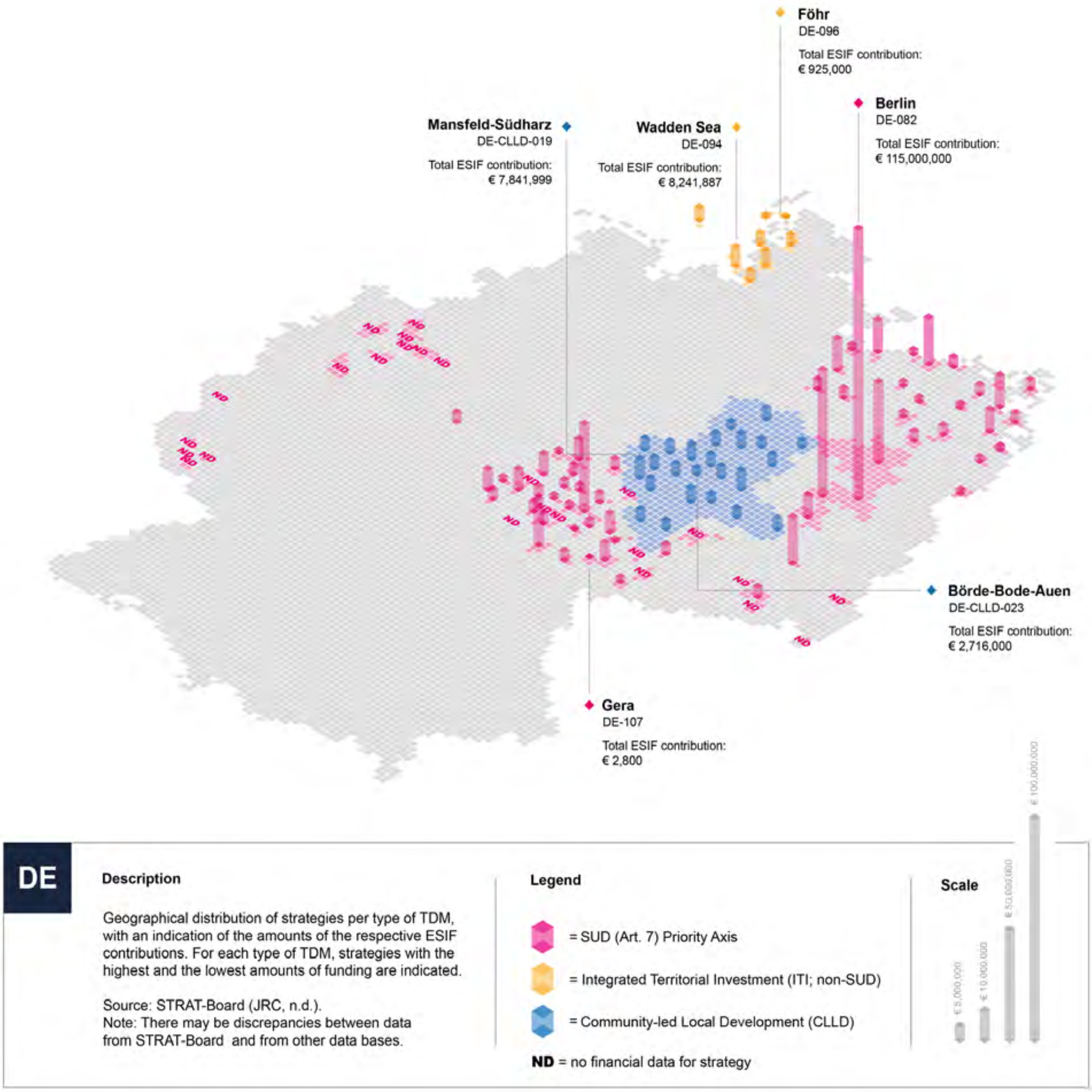
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 34,070,909,195
National Contribution (EUR)	€ 18,016,492,304
Total Contribution (EUR)	€ 52,087,401,499

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	103	ERDF	6.8%	59%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	8	ERDF	0.2%	69%
Community-led Local Development (CLLD)	23	ERDF, ESF, EAFRD	0.2%	82%
TOTAL	**134**	**-**	**7.2%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases. Cohesion Open Data Platform data indicates that a small amount of funding was also deployed through SUD ITI strategies implemented in Germany, however these were not covered by this evaluation.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Germany's federal structure grants significant competences to its sub-national authorities. The country is divided into three administrative levels: states (Länder), districts, and municipalities, with municipalities having the right of self-administration. Cooperation across these levels is strong, particularly between districts and municipalities, facilitated by horizontal and vertical fiscal equalisation mechanisms. The federal government also provides various financial support programmes to lower administrative levels. In the context of Cohesion Policy, Germany's federal governance system allows each Land to manage its own ERDF and ESF Operational Programmes (OPs).

Germany has a national urban policy known as the National Urban Development Policy (Nationale Stadtentwicklungspolitik), launched in 2007. This policy, established by the Federal Ministry of Transport, Building and Urban Development, the Conference of Construction Ministers, and the German Towns and Community Association, promotes strong cooperation across government levels and between stakeholders. It integrates various funding sources through initiatives such as the Urban Development Funding programme, which provides federal grants for urban investment projects. One notable example is the Social City Programme (Soziale Stadt), established in 1999, which targets the regeneration of deprived neighbourhoods using a combination of EU, federal, state, municipal, and third-party funding.

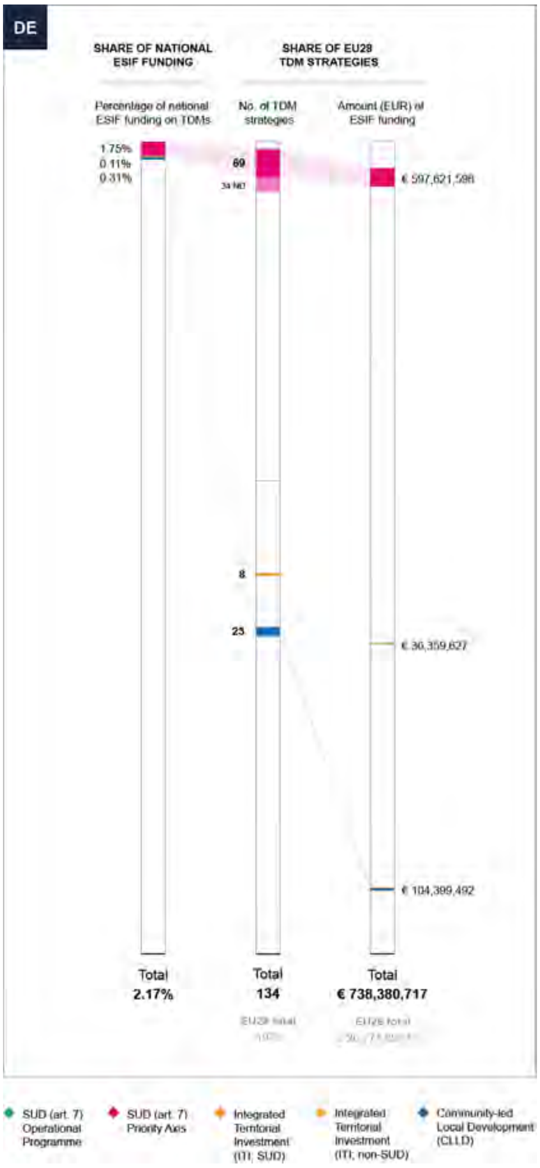
The National Urban Development Policy emphasises an integrated approach, fostering vertical and horizontal collaboration between the public sector, private sector, third sector, and civil society. Germany also prioritises collaboration with academia and industry, particularly in energy and tourism development projects. The policy functions as a platform for exchange on best practices in urban development, bringing together diverse actors to improve the quality of life across urban areas.

COHESION POLICY CONTEXT

During the 2014-2020 period, the implementation of Cohesion Policy in Germany was shaped by the country's federal governance structure, with significant decentralisation and involvement of sub-national authorities. Each German state (Land) managed its own ERDF and ESF OPs, reflecting the regionalised approach to Cohesion Policy governance. This decentralisation allowed states to tailor programmes to their specific regional needs and priorities.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7) Priority Axis

A total of 103 SUD PrAx strategies deployed in the states of Berlin, Hessen, Mecklenburg-Vorpommern, North Rhine-Westphalia, Sachsen, Saarland, and Thüringen.

Urban authorities generally favoured a multi-thematic PrAx approach, finding it less complex compared to ITI. These strategies could target either entire cities or specific districts within them. The role of Intermediate Body was assigned to municipal governments, aligning with local development planning and analysis. For instance, in Gelsenkirchen, North Rhine-Westphalia, the SUD PrAx strategy was closely aligned with local plans, effectively identifying and addressing local needs.

Local stakeholder involvement was also robust across these strategies. In Gelsenkirchen, for example, the strategy engaged a wide range of territorial stakeholders through various stages and activities. The approach included information campaigns, public consultations, focus groups, and targeted outreach to specific demographic groups, reflecting a comprehensive and inclusive engagement strategy that met both ERDF and domestic requirements.

Although there was no explicit rationale for using the SUD PrAx instrument—its adoption was based on decisions taken by the regional administrations—these strategies offered practical benefits by integrating local priorities and facilitating cross-sectoral operations to improve socio-economic conditions in targeted areas. The strategies employed flexible territorial boundaries to address local needs effectively, as demonstrated by the Gelsenkirchen case study. This needs-based integration within the local development framework allowed for addressing multiple thematic areas.

However, a limitation was that SUD PrAx strategies remained mono-fund, with no integration with ESF operations. Strong vertical and horizontal coordination was already a common practice in Germany, so the impact of SUD PrAx in this respect was not particularly notable. Nonetheless, drafting SUD PrAx strategies involved extensive engagement with local stakeholders, including those from outside the public sector.

ERDF funding for the German SUD PrAx strategies addressed four main thematic priorities. The largest allocation was for social inclusion (€635 million), followed by environmental protection (€244 million). Support for the transition to a low-carbon economy received €73 million, while the smallest allocation was for enhancing the competitiveness of small and medium-sized enterprises (€4 million). By the end of 2022, 68% of the allocated ERDF funds had been spent, which was slightly below the mainstream Cohesion Policy performance where 71% of the funding had

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Non-Sustainable Urban Development Integrated Territorial Investment

Non-SUD ITI strategies in Germany were implemented solely in Schleswig-Holstein. These strategies aimed to develop complex projects in energy and tourism, enhance collaboration between the public and scientific sectors, and build on existing cross-sectoral networks. However, there is limited information available on the impacts, added value, and challenges associated with these strategies.

ERDF spending under these non-SUD ITIs was concentrated on two thematic objectives. The largest allocation was for environmental protection, with €18.5 million invested, followed by €7.4 million for promoting a low-carbon economy. In terms of financial implementation, non-SUD ITI strategies progressed more slowly compared to mainstream Cohesion Policy. By the end of 2022, only 57% of the allocated ERDF funds had been spent, indicating that significant implementation challenges were encountered.

Community-led Local Development

In Germany, there is a wide range of domestic non-CLLD initiatives for both urban and rural areas, driven by the Länder governments and grassroots movements. These exist alongside EU-funded initiatives like LEADER and, in the 2014-20 period, CLLD, which was implemented primarily in Saxony-Anhalt.

The key goal of CLLD in Saxony-Anhalt was to coordinate different funding instruments effectively. This approach aimed to achieve economies of scale, enhance the efficiency of support measures, and avoid double funding. It also sought to strengthen regional activities, encourage social innovation, improve coordination between projects, and boost the overall acceptance and relevance of CLLD. Key themes in CLLD strategies included sustainable tourism, mobility, housing, social inclusion, employment and skills, culture and heritage, spatial planning, and SME support.

Local Action Group (LAG) territories were largely defined by administrative boundaries. For instance, LAG Harz was one of three LAGs operating within a district of the same name. Previous experience with LEADER was invaluable in setting up CLLD LAGs, and there were strong connections to both higher (district) and lower (municipal) administrative levels, with a notable emphasis on spatial planning.

A dedicated monitoring system was introduced to track progress regularly and systematically. This system focused on both outcomes and processes, with indicators covering various areas such as project numbers, financial volumes, LAG meeting participation, and media engagement.

Incorporating ERDF and ESF into the activities of pre-existing LAGs, originally established for LEADER, was seen as a major advantage, expanding the scope of projects and increasing the range of beneficiaries. This multi-fund approach allowed for the implementation of initiatives that would not have been possible otherwise.

However, the thematic scope of CLLD strategies in Saxony-Anhalt was considered somewhat limited, restricting spending on certain territorial needs. Despite this, cooperation with other LAGs to implement similar projects across administrative boundaries helped create synergies.

The added administrative burden associated with CLLD, particularly due to coordination across different funding sources and areas already covered by national and regional programmes, was a key challenge. The involvement of multiple bodies and additional guidelines complicated the process, with application, approval, and payment procedures adding further strain. As a result, cross-fund projects, which could fully leverage the potential of CLLD, remained rare.

Looking ahead to 2021-27, Saxony-Anhalt plans to build on the success of CLLD from the 2014-20 period. The aim is to continue using this Territorial Delivery Mechanism while simplifying implementation and reducing administrative complexity for both policymakers and beneficiaries. By the end of 2022, 82% of the allocated ERDF funding for CLLD had been spent, surpassing the performance of mainstream Cohesion Policy and other Territorial Delivery Mechanisms in Germany.

Multi-fund approach to CLLD strategies in Sachsen-Anhalt

Unlike (LEADER) LAGs in other German regions, supported only by the European Agricultural Fund for Rural Development (EAFRD) funding and domestic funding sources, Saxony-Anhalt was a notable exception, integrating ERDF and ESF with EAFRD within its CLLD strategies. While CLLD LAGs did not face require major operational changes, the multi-fund system did increase administrative complexity due to the need to manage multiple funding streams. Although relatively few true multi-fund projects were realised, the broader range of single-fund initiatives expanded the LAGs' thematic reach. The inclusion of ESF funding was particularly valuable, enhancing local efforts in areas such as training, networking, business support, and social innovation. ESF-backed projects under CLLD were more diverse than typical ESF-funded programmes, which helped strengthen local-level activities throughout the region (LDnet, 2021).

IN SUM

During the 2014-20 period, Germany employed Territorial Delivery Mechanisms in selected areas, with SUD PrAx being the most widely used instrument. All these mechanisms contributed to more effectively addressing local needs. SUD PrAx strategies were notably well-aligned with urban planning documents and often complemented one another. Similarly, CLLD strategies benefited from the inclusion of ERDF and ESF funding streams, which expanded the scope of interventions and supported local development. However, the territorial delineation based on top-down decisions and administrative boundaries limited the potential for enhancing functional linkages. Despite this, both SUD PrAx and CLLD strategies demonstrated an integrated approach to urban and local development.
There is limited evidence regarding governance impacts, as vertical and horizontal coordination, as well as stakeholder management, were already well-established in Germany before the deployment of Territorial Delivery Mechanisms. Finally, there were notable administrative challenges that slowed the pace of funding absorption.

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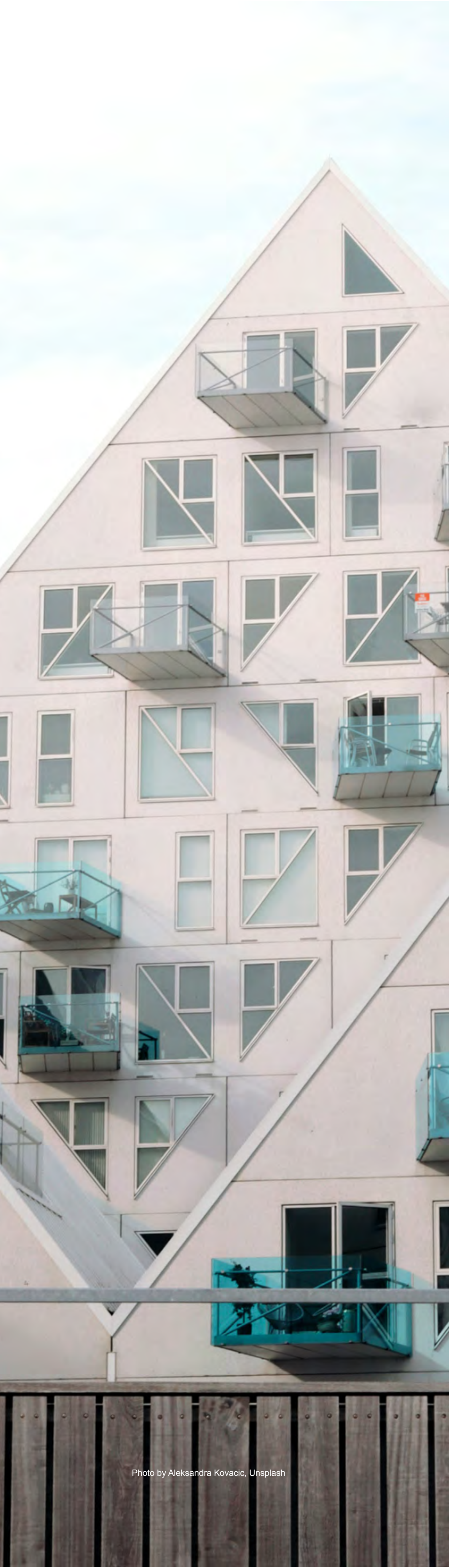

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COUNTRY FICHE

DENMARK [DK]

Eight Sustainable Urban Development (SUD) strategies were implemented in Denmark during the 2014-20 period, all through a priority axis of an Operational Programme (SUD PrAx). These strategies were supported by the European Regional Development Fund (ERDF) as part of the priority axis of the National Operational Programme, which focused on Innovation and Sustainable Growth in Businesses. The strategies were applied in cities and towns of various sizes, ranging from larger ones like Aalborg and Aarhus to smaller ones such as Fredericia and Slagelse. Their thematic focus included research and innovation, as well as the low-carbon economy.

POPULATION	STATE TYPE
5.75 million	Decentralised

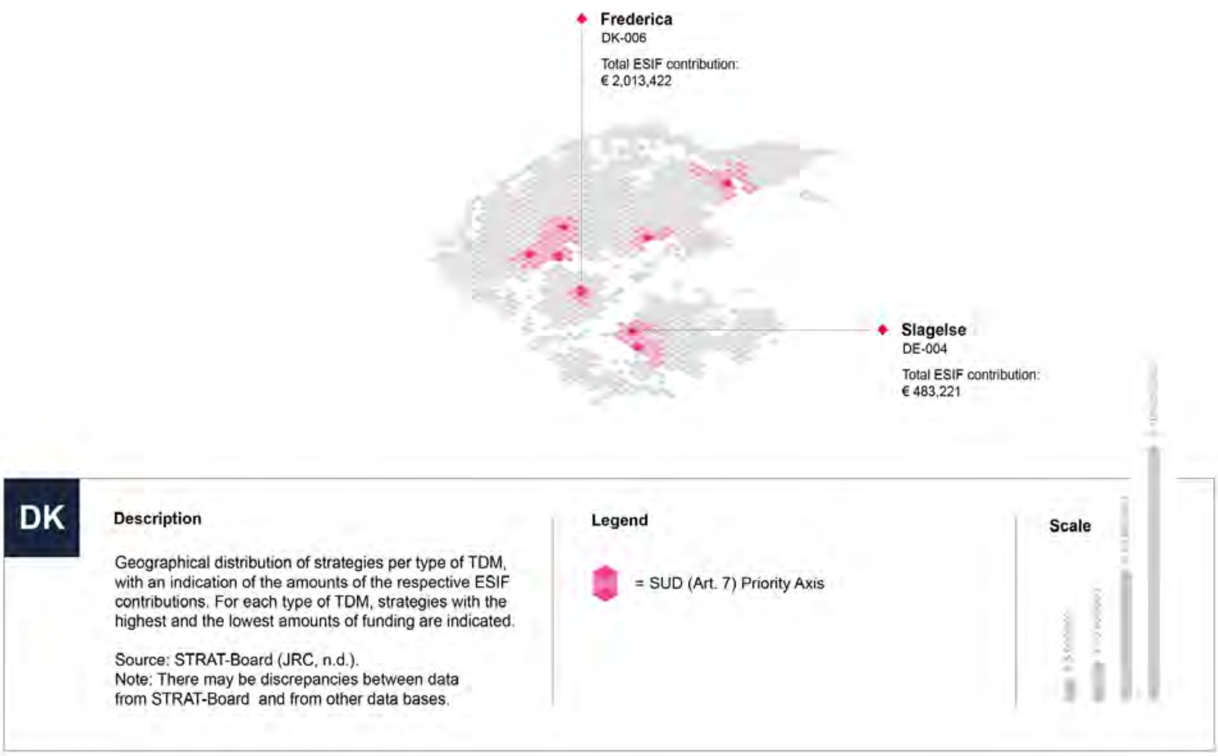
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 2,103,688,226
National Contribution (EUR)	€ 797,107,908
Total Contribution (EUR)	€ 2,900,796,134

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	8	ERDF	1.5%	69%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	-	-	-	-
TOTAL	**8**	**-**	**1.5%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Denmark is a unitary state with a decentralised governance structure, organised at three levels: central, regional, and municipal. Before 2007, its territorial organisation consisted of the State, counties, and municipalities. However, the 2007 Structural Reform abolished the counties, creating five regions—Nordjylland, Midtjylland, Syddanmark, Sjælland, and Hovedstaden—and reducing the number of municipalities from 271 to 98. This reform also reallocated responsibilities, leaving municipalities as the sole local authorities. Regions now primarily focus on healthcare and regional development, while municipalities manage education, social services, public transport, and local infrastructure. Municipal councils, elected by residents, handle local decision-making, though the central government in Copenhagen retains control over national issues like defence, foreign policy, and macroeconomic policy.

Denmark's spatial planning system, based on the Planning Act, promotes sustainable development and cooperation across government levels for balanced territorial growth. The country's urban policy encourages polycentric development, with municipalities key to aligning local planning with national and regional goals.

Denmark also includes two autonomous regions: the Faroe Islands and Greenland. Neither are members of the EU, though Greenland holds Overseas Countries and Territories status and has agreements with the EU, such as the Fisheries Agreement.

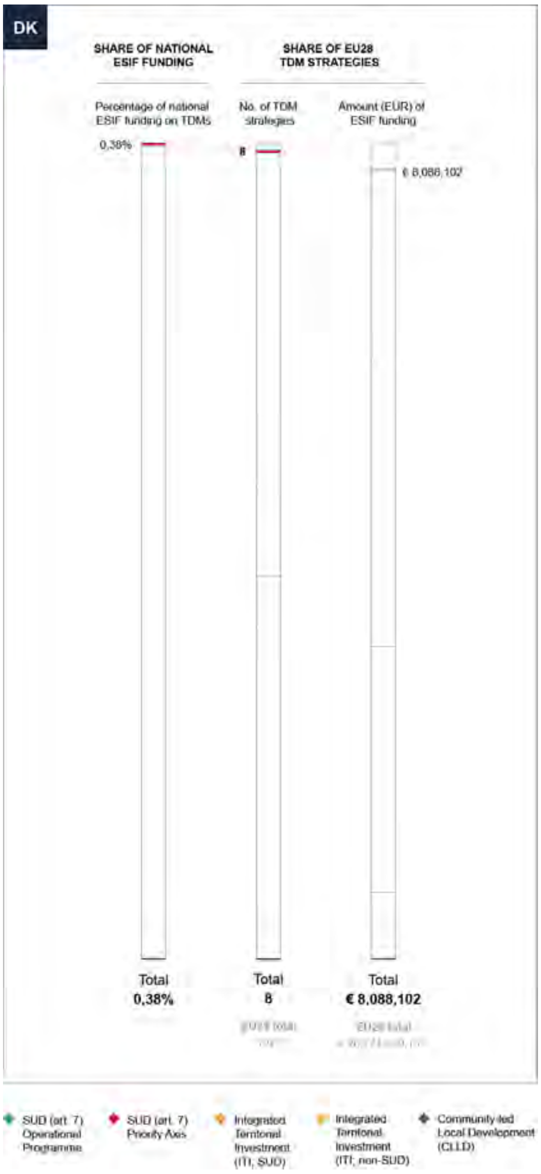
COHESION POLICY CONTEXT

During the 2014-20 period, Denmark's implementation of EU Cohesion Policy focused on promoting innovation, sustainable growth, and employment. The country managed two key Operational Programmes (OPs): the Regional Growth and Development Programme and the Growth via Education, Training and Entrepreneurship Programme. The former aimed to boost economic growth in all Danish regions, while addressing their specific needs and capitalising on their strengths, with a focus on creating jobs and boosting productivity, particularly in SMEs. This ERDF programme also paid attention to reducing energy consumption in cities with more than 30.000 inhabitants through targeted investment in cities or urban areas through SUD strategies. The ESF programme was primarily targeted at improving the skills of the workforce.

The Danish Business Authority (Erhvervsstyrelsen) served as the managing authority responsible for overseeing the implementation of both programmes on behalf of the Danish government, working closely with regional and local stakeholders, ensuring alignment with both EU objectives and Denmark's national and regional development strategies. Even though the programmes were managed nationally, their implementation was to some degree decentralised, involving strong cooperation between the central government, regional growth forums, and local municipalities. Regional Growth Forums, made up of representatives from business, education, and local government, played a key role in identifying regional priorities and allocating funds for projects that supported innovation, entrepreneurship, and green initiatives.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

For the 2014-20 programming period, the Danish government opted to implement Territorial Delivery Mechanisms exclusively through a Priority Axis within its ERDF National Operational Programme. All Sustainable Urban Development (SUD) Priority Axis strategies in Denmark shared a common thematic focus. The largest share of funding was allocated to support the shift towards a low-carbon economy, with €6.28 million from the ERDF. In comparison, only €1.53 million was directed towards research, technology development, and innovation. The SUD strategies in cities such as Slagelse, Kolding, and Vejle placed particular emphasis on promoting the circular economy, especially the sustainable recycling of construction waste.

These strategies were implemented across a variety of urban settlements, from larger cities to relatively small towns. However, the total funding was modest compared to SUD Priority Axis strategies in other EU countries, limiting the potential of these initiatives to deliver broad-ranging impacts, particularly in supporting larger, integrated operations within functional areas. There is limited evidence regarding the effectiveness of SUD Priority Axis strategies in addressing local needs or fostering governance innovation within the context of Cohesion Policy.

By the end of 2022, 69% of the allocated ERDF funding had been spent on operations, a significantly better performance than mainstream Cohesion Policy operations, which absorbed only 44% of their funding. Despite the limited resources, Denmark's targeted approach in urban areas delivered progress in sustainable urban development, especially in specific intervention areas such as the circular construction sector, though on a smaller scale.

IN SUM

During the 2014-20 programming period, relatively small ERDF funding was directed towards supporting sustainable urban development through SUD Priority Axis strategies across eight urban areas in Denmark. This limited the ability of Territorial Delivery Instruments to make a significant impact on place-based policy, strengthen functional linkages, or enhance multi-level governance in this country.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

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COUNTRY FICHE

ESTONIA [EE]

Between 2014 and 2020, Estonia chose to focus on a single Territorial Delivery Mechanism. Sustainable Urban Development (SUD) strategies were implemented through a dedicated Priority Axis (SUD PrAx) within the national Operational Programme for European Structural and Investment Funds (ESIF). In total, five strategies of this type were implemented, drawing exclusively on the European Regional Development Fund (ERDF). Despite some challenges and criticisms regarding the limited integration of the supported operations, the SUD PrAx facilitated greater collaboration between municipalities within Functional Urban Areas (FUAs).

POPULATION	STATE TYPE
1.31 million	Centralised

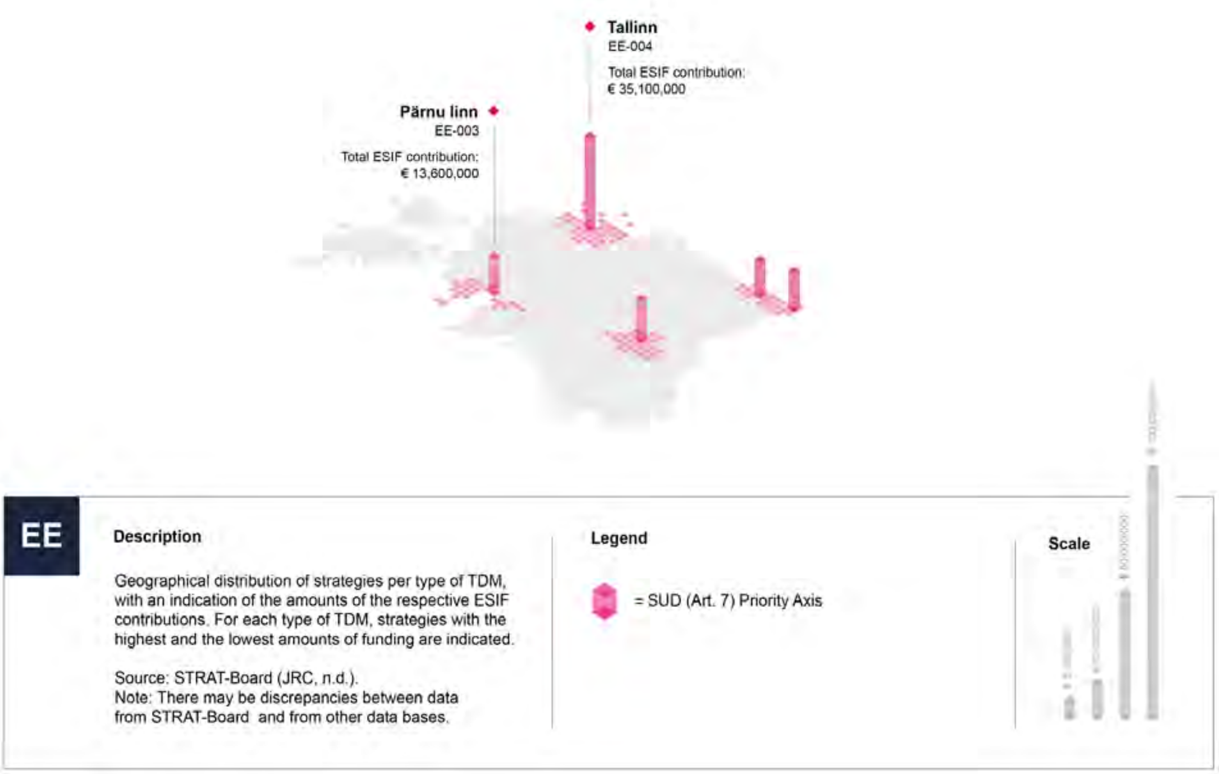
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 4,884,960,075
National Contribution (EUR)	€ 1,446,217,668
Total Contribution (EUR)	€ 6,331,177,743

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	5	ERDF	4.9%	90%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**5**	**-**	**4.9%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Estonia, with its centralised governance structure, places a strong emphasis on national-level policy and strategic direction. The central government is responsible for shaping broad policies and frameworks, while regional and local governments play a more minor role in driving economic and innovation initiatives.

The National Regional Development Strategy (2014-20), introduced in 2014, sets out Estonia's approach to regional and urban development. This strategy emphasises the use of European Structural and Investment Funds (ESIF) to support regional development.

In terms of spatial planning and territorial governance, Estonia's system is characterised by its centralised approach. The national government establishes strategic priorities and frameworks, while local and regional authorities adapt and implement these policies to address specific local needs. This structure aims to ensure balanced and cohesive development across the country, addressing regional disparities and fostering sustainable growth.

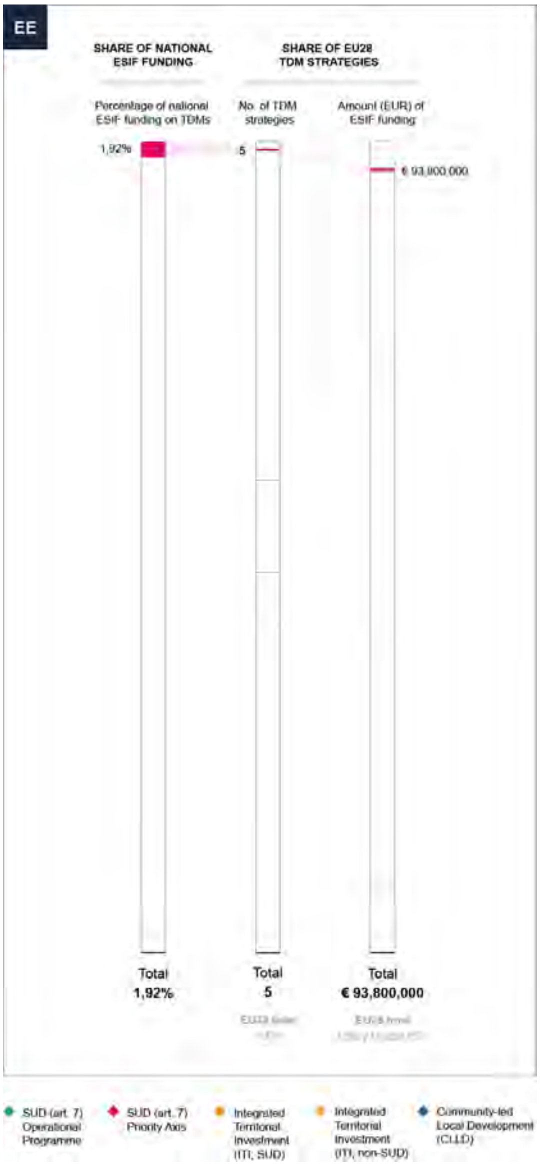
COHESION POLICY CONTEXT

As a single NUTS2 region, Estonia had only one Operational Programme (OP) for the entire country – the Operational Programme for Cohesion Policy Funding 2014-20. The OP combined funding streams from the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund (CF). In the 2021-27 period, Estonia's territory is designated as a transition region, whereas during the 2014-20 period, it was classified as a less-developed region.

Cohesion Policy management in Estonia is centralised and carried out by national-level authorities. Regional authorities serve as stakeholders and members of the Monitoring Committee. The State Shared Service Centre, operating under the Ministry of Finance, acts as the Managing Authority. In Estonia, Riigi Tugiteenuste Keskus (the State Support Services Centre – RTK) undertakes the role of coordinating authority, except for the Maritime and Fisheries Fund, where the coordinating authority is the Ministry of Regional Affairs and Agriculture, and the Internal Security Fund, where the coordinating authority is the Ministry of the Interior.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7) Priority Axis

During the 2014-20 period, for the first time in Estonia, a portion of ERDF resources was allocated to the implementation of territorial strategies. All five of Estonia's urban region strategies for this period were developed based on the same guidelines, making it difficult to distinguish unique practices among them. One of the largest cooperative efforts was agreeing on common priorities and implementing them in the Tallinn FUA, which included not only the central city but also eight surrounding municipalities.

SUD PrAx strategies were applied to Functional Urban Areas (FUAs) with populations exceeding 50,000, encompassing both city centres and surrounding densely populated regions. The five major urban areas involved in SUD strategies were Tallinn, Tartu, Narva, Pärnu, and Kohtla-Järve/Jõhvi.

The formulation of SUD strategies was a collaborative effort involving relevant ministries, county authorities, municipal governments, and district agencies. This collaboration boosted cooperation between local authorities within FUAs to address common development needs. However, there was limited effort to engage other stakeholders, as internal coordination was prioritised over broader public consultation, as seen in the case of Tartu. In this top-down approach, infrastructure needs and priorities were mainly identified through existing development documents rather than through extensive community involvement. Furthermore, the use of SUD PrAx was driven by the need to meet the European Commission's minimum requirements for territorial strategies, rather than a well-defined intervention logic.

These strategies primarily focused on enhancing social inclusion and fostering a low-carbon economy. Although SUD did not specifically target deprived neighbourhoods across Estonia, there was a significant emphasis on improving economically disadvantaged and underutilised areas in the larger cities of Ida-Viru County, aiming to make them more attractive to businesses and improve the overall quality of life in these urban spaces.

SUD PrAx placed emphasis on functional linkages, including urban-rural connections and FUAs, rather than strictly adhering to administrative boundaries. This approach allowed for a more nuanced understanding of territorial dynamics. The Tartu SUD PrAx strategy is a good example, as it defined the city region not simply as the sum of municipal areas, but through boundaries and functions that reflect urban settlement patterns, commuting zones, employment areas, and residential markets. Another positive aspect of the SUD PrAx strategies was that, while each local government unit had its own priorities, the city region strategy effectively unified these and supported coordinated investment based on functional and territorial rationales.

Implementing SUD PrAx strategies proved challenging, as it required meeting the European Commission's guidelines while also ensuring effective absorption of funding. The commitments outlined in the implementation plan, including achieving output and performance indicators, added complexity, especially when activities were selected locally at a later stage.

Integration within projects, both territorially and in combining different types of interventions at single locations, remained weak. Despite having

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

a common strategy, most projects were focused on local municipal needs without a cohesive, integrated approach across thematic areas. For example, while the Tartu SUD PrAx strategy recognised urban challenges and set sectoral objectives, it lacked a detailed explanation of how these priorities would interconnect to achieve integrated territorial effects, opting instead for a more siloed approach to urban development with a focus on individual targets.

Additionally, there was significant redundancy in urban area strategies, suggesting that addressing urban issues within a broader, county-wide strategy might have been more effective. Looking ahead, the key takeaway is the need for greater flexibility, relying more on existing territorial strategies and documents, such as local development plans, county strategies, and regional development agreements, when programming and implementing ESIF through Territorial Delivery Mechanisms.

In terms of financial performance, the SUD PrAx strategies were successful, with 90% of ERDF funding spent by the end of 2022, surpassing the absorption rate of mainstream Cohesion Policy funds during the same period (76%).

Fostering inter-municipal cooperation in Functional Urban Area of Tartu

The introduction of SUD PrAx strategies in Estonia catalysed cross-municipal cooperation within FUAs, with Tartu's strategy exemplifying this impact. As Estonia's second-largest city, Tartu had no prior experience in preparing a joint strategy for its urban area alongside the surrounding municipalities. The need to develop the SUD PrAx strategy provided an opportunity to do so. The top-down spatial demarcation approach, defined by the central government, helped create a functional vision for the central city and its surrounding areas, taking into account urban sprawl, population growth, and intensive daily commuting patterns.

An informal steering group and project evaluation committee played a pivotal role in preparing, implementing, and monitoring the strategy. Within this framework, the municipalities involved in implementing Tartu's SUD PrAx worked collaboratively to identify synergies and complementarity when submitting projects, such as focusing on light traffic routes or bike-sharing schemes. The project appraisal methodology prioritised complex projects that, whether independently or in combination with other initiatives, addressed specific problems in one area or improved conditions across the entire FUA.

IN SUM

During the 2014-20 programming period, despite some challenges in implementing the Estonian SUD PrAx strategies, cross-municipal cooperation and a shared vision for FUAs, based on functional linkages, were successfully promoted. This contributed to the improvement of local administrative capacities.

SUD PrAx strategies required a comprehensive framework for coordination across different levels of government and between municipalities within urban regions, thereby enhancing multi-level governance. However, challenges remained in developing more integrated projects, and there was limited mobilisation of stakeholders beyond the local governments.

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Photo by Kieran Everett, Unsplash

COUNTRY FICHE

GREECE [EL]

Three types of Territorial Delivery Mechanisms were in place in Greece during the 2014-20 period. The most prominent were the Sustainable Urban Development Integrated Territorial Investment strategies (SUD ITI), with 54 strategies implemented across the country through Regional Operational Programmes (ROPs) combining funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). This instrument accounted for the largest share of overall spending on Territorial Delivery Mechanisms and involved delegating powers to Urban Authorities. A smaller number of non-SUD ITIs (15) were implemented in polycentric areas, also using the same funding streams. Finally, 16 multi-fund Community-led Local Development (CLLD) strategies were executed across several Greek regions, though with much smaller budgets.

POPULATION	STATE TYPE
10.76 million	Centralised

NATIONAL ESIF BUDGET

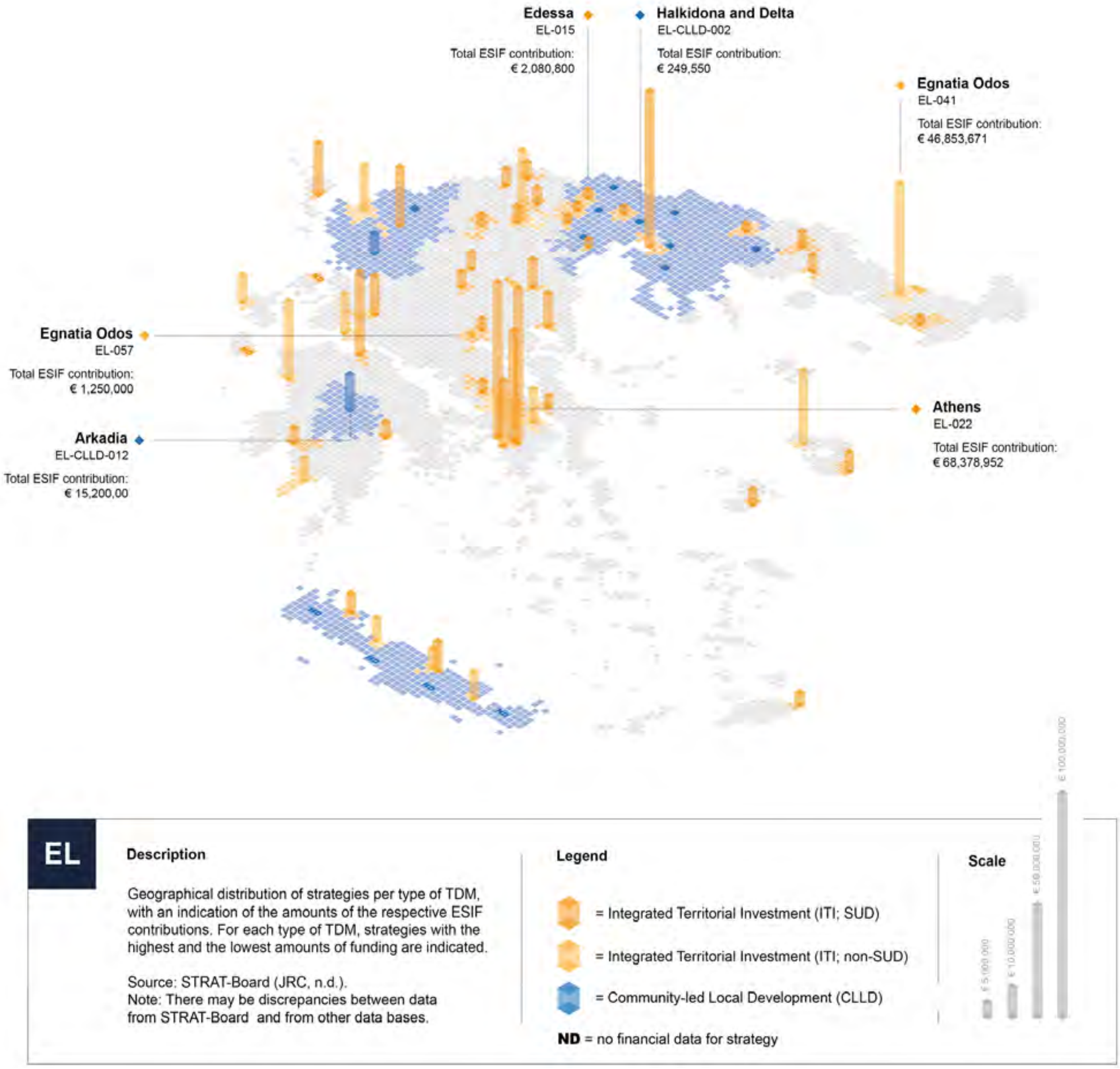
EU Contribution (EUR)	€ 25,158,761,875.00
National Contribution (EUR)	€ 4,965,657,852.00
Total Contribution (EUR)	€ 30,124,419,727.00

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	39	ERDF,ESF	2.3%	19%
Integrated Territorial Investment (ITI; non-SUD)	15	ERDF,ESF	1.3%	28%
Community-led Local Development (CLLD)	16	ERDF,ESF, EMFF, EAFRD	0.1%	13%
TOTAL	**70**		**3.5%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanisms (TDMs)



GOVERNANCE CONTEXT

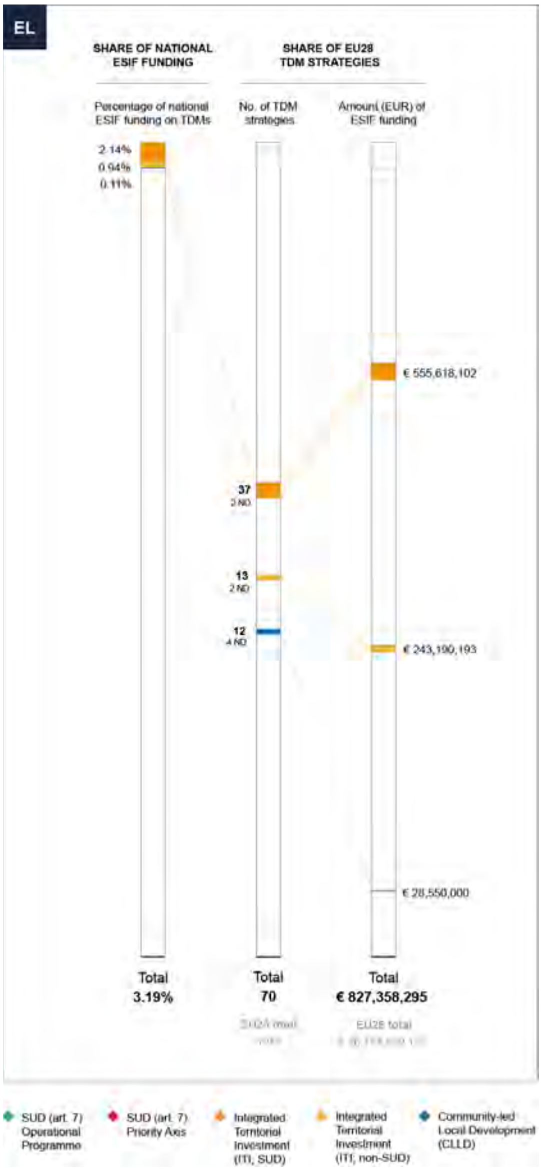
The territorial governance system includes municipalities and regions in a decentralised administration, but the central government tends to exert substantial influence via the funding system and national legislation. The 13 administrative regions are vested with a range of responsibilities, such as regional planning, transportation and infrastructure development, and the management of EU-funded Regional Operational Programmes (ROPs). Municipalities, the local tier of government, play a pivotal role in service provision, including urban planning, public services, infrastructure, and cultural activities. Moreover, in parallel to the administrative regions, there are also seven decentralised administrations without elected authorities, headed by an appointed Secretary-General. They group several regions and provide a linkage between the central government and the regions, performing some functions of territorial governance on behalf of the central government.

COHESION POLICY CONTEXT

In the 2014-20 Cohesion Policy period, the policy was implemented via 7 sectoral Operational Programmes (OPs) and 13 multi-sectoral, multi-fund (ERDF, ESF) regional programmes. Each ROP was managed by a Managing Authority (MA) headed by the Regional Governor. The Greek Sustainable Urban Development (SUD) Integrated Territorial Investment (ITI) strategies were aligned with urban plans, improving strategic quality and strengthening synergies between Cohesion Policy and domestic policies. The Thematic Objectives (TO) for Cohesion Policy in Greece were shaped by the crisis's repercussions, and therefore the European Structural and Investment Funds (ESIF) supported strategies that targeted degraded and deprived neighbourhoods, urban regeneration, tourism and cultural activities, compact spatial development, and social infrastructures.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

SUD strategies are implemented within the framework of the 13 regional operational programmes, using ITI as the implementing mechanism. Triggered by the repercussions of the crisis, Non-Governmental Organisations (NGOs) and citizens' groups have become more actively involved in strategic planning, and most cities have launched broad and substantial public consultations to define their SUD ITI strategies.

Urban Authorities (municipalities) were substantially involved in the implementation of the Greek SUD ITI strategies. They were responsible for drafting and submitting the proposed strategies, as well as for project generation, while also being involved in the selection of individual projects to receive funding. The municipalities often commissioned experts to support them in drafting the strategies, but in some cases, they were developed entirely in-house.

SUD ITI strategies were aligned with the urban development plans, providing a good example of boosting strategic quality by strengthening synergies between the EU-funded and domestic initiatives. At the same time, the establishment of Intermediate Bodies with delegated competences, as was done for instance for ITI Piraeus, ensured proximity to local stakeholders and better targeting of local development needs. Connectivity and urban mobility, competitiveness, and environmental degradation were the predominant focus of SUD ITI strategies. Explicit links to domestic regional development strategies and other supra-local frameworks, such as smart specialisation strategies, were pursued to help define the logic of intervention and strategic objectives.

Urban Authorities were given significant autonomy in demarcating territories for the SUD ITI strategies. A number of cities, such as Piraeus, chose not to collaborate with neighbouring municipalities to focus investment within their own municipal borders and avoid the administrative costs of collaboration across municipal boundaries. In some other cases, such as those of Western Athens and Southern Athens or Thessaloniki, ITIs were proposed by coalitions of municipalities.

A key challenge in all cases was the lengthy process of drafting and approving the strategies and the lack of a prioritised project pipeline from the Urban Authorities, with enough eligible and mature projects to allow for reasonably rapid absorption of funds. Overall, Urban Authorities lacked the capacity to manage the funds effectively.

Non-Sustainable Urban Development Integrated Territorial Investment

Beyond SUD strategies, the ITI instrument was used for 13 territorial strategies across 9 regions. In many of these cases, the main focus was on a portion of territories with specific features and with the aim to promote touristic and cultural valorisation of these areas. The Non-SUD ITI strategies focused predominantly on rural areas and territorial challenges facing a region or its specific part. An example of such a strategy was the Epirus ITI, based in the eponymous region in Greece, focusing on the development of a cultural route connecting ancient theatres located across four municipalities. Some challenges in administrative capacities among the municipalities were noted; however, the strategy's implementation has been instrumental in developing collaboration among stakeholders in the region.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Community-led Local Development (CLLD)

Overall, 16 CLLD strategies were implemented across Greece. An interesting feature of the use of CLLD in this country was the exclusive funding via ESF in all but one case (Arcadia CLLD also used ERDF). In most cases, ESF funding was used to support additional ESF-eligible actions in areas already covered by a CLLD funded via EAFRD/EMFF. This reflected a practical response to issues of capacity and available resources: pre-existing CLLDs already had an institutional set-up with the necessary experience, and therefore only in Arcadia was a new institution set up to manage the CLLD. Another characteristic of the Greek approach to CLLD, which also concerned other Territorial Delivery Mechanisms in Greece, was the development of specific indicators by each MA.

Governance innovation triggered by Non-SUD strategy in Epirus

The ITI strategy for the Epirus Theatres involved setting up a Destination Management Organisation (DMO), a dedicated institution in charge of various tourism-related actions, striving to take advantage of the tourism development opportunities created by the implementation of the ITI strategy, while providing a point of contact for the local stakeholders. The DMO ensured that the strategy supported the consistent development of a local tourism product extending beyond the programming period and effectively coordinated stakeholders' activities via the Stakeholder Council, involving 20 local organisations with a stake in the ITI strategy.

IN SUM

The implementation of Territorial Delivery Mechanisms in Greece has improved strategic quality and targeting of local needs through close collaboration with local stakeholders in participatory processes, organised by intermediary organisations in the case of ITI strategies. The ITI strategies were also well-integrated with domestic strategies and plans. However, the potential of ITIs to trigger innovation in terms of strategic planning for functional areas was not fully utilised, due to the focus of some ITIs on single cities and administrative capacity issues. Likewise, the integration of ERDF and ESF funding remained too complex at the operational level. Finally, the implementation of the ITIs helped to improve coordination among local non-state stakeholders and boosted their involvement in regional development policy via the coordination activities of the intermediary organisations at the local or functional area scales.

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Photo by Biel Morro, Unsplash

COUNTRY FICHE

SPAIN [ES]

Spain chose to focus on just two types of Territorial Delivery Mechanisms (TDMs), allocating around 5 percent of its national European Regional Development Fund (ERDF) and Cohesion Fund (CF) to a total of 179 strategies. Among these, 173 Sustainable Urban Development (SUD) strategies were implemented under the Operational Programme Priority Axis (SUD PrAx) across Spain, with more of them concentrated in the less developed southern regions. These strategies were funded by the ERDF. Additionally, six multi-fund Integrated Territorial Investment (non-SUD ITI) strategies were launched with much larger budgets, often covering extensive areas sharing common geographical features, such as a large river basin or coastline, and were part of broader national or European territorial strategies. Both types of strategies were carried out through a combination of centralised planning and delegated project selection and implementation at the sub-national level, reflecting the complexities of Spain's multi-level governance system.

POPULATION	STATE TYPE
46.5 million	Decentralised

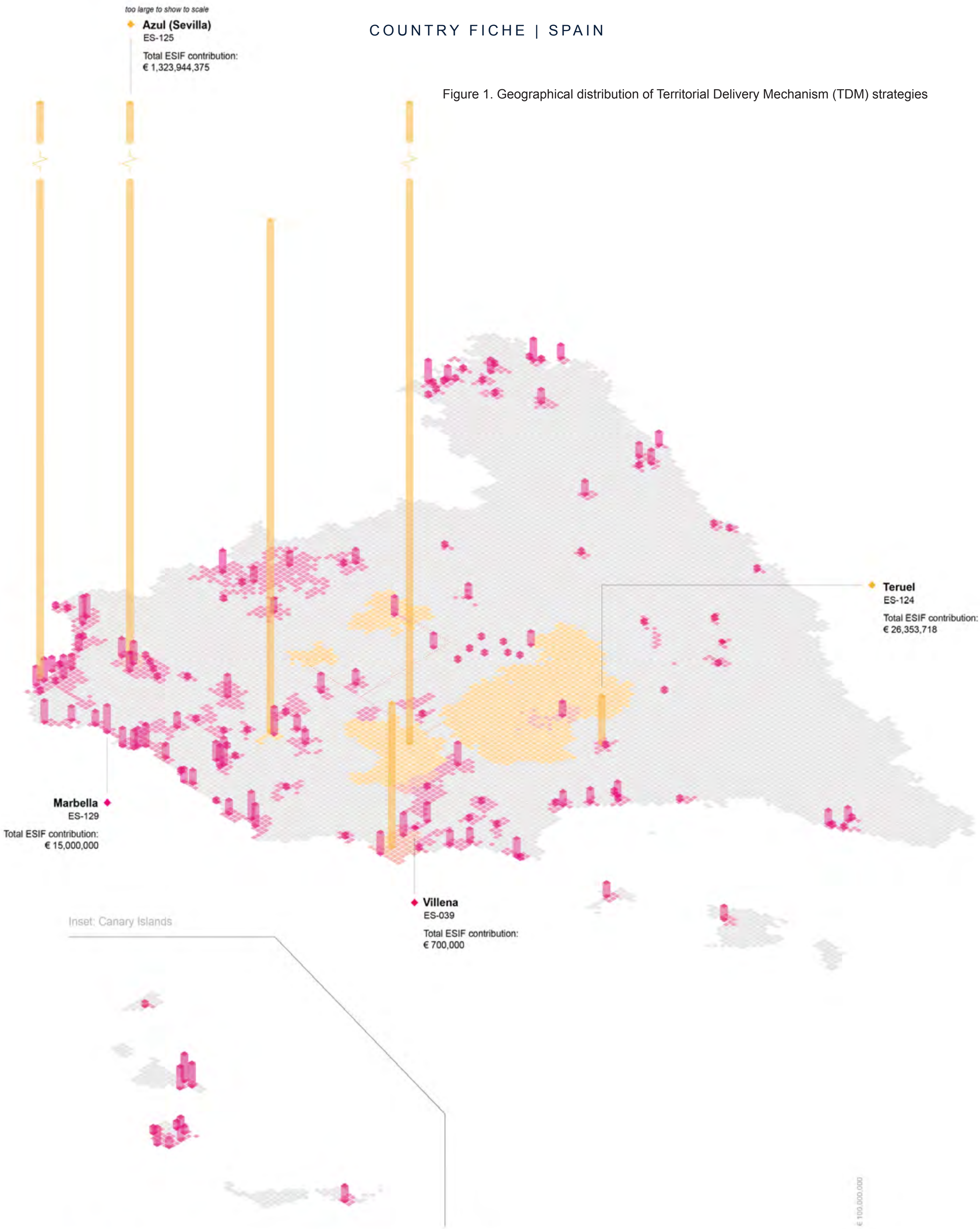
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 57,322,439,662
National Contribution (EUR)	€ 17,672,580,041
Total Contribution (EUR)	€ 74,995,019,703

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	173	ERDF	3.1%	18%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	6	ERDF, EAFRD, ESF, EMFF, ERDF-ETC	2.2%	36%
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**179**	**-**	**5.3%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



ES

Description

Geographical distribution of strategies per type of TDM, with an indication of the amounts of the respective ESIF contributions. For each type of TDM, strategies with the highest and the lowest amounts of funding are indicated.

Source: STRAT-Board (JRC, n.d.).
Note: There may be discrepancies between data from STRAT-Board and from other data bases.

Legend

= SUD (Art. 7) Priority Axis

= Integrated Territorial Investment (ITI; non-SUD)

Scale

€ 5,000,000
€ 10,000,000
€ 50,000,000
€ 100,000,000

GOVERNANCE CONTEXT

Spain's territorial governance is complex, characterised by a decentralised system that grants significant autonomy to its 17 autonomous communities (comunidades autónomas) and two autonomous cities (Ceuta and Melilla). Each autonomous community has its own government, parliament or assembly, and president, with varying degrees of legislative and executive powers. Spain is also divided into provinces (provincias), which are further subdivided into municipalities (municipios). The central government, based in Madrid, manages national matters such as defence, foreign policy, and finance. While the regions enjoy considerable autonomy, the central government retains control over key areas. This decentralised system aims to respect Spain's linguistic, cultural, and historical diversity while ensuring national unity. Spain introduced the Spanish Urban Agenda (Agenda Urbana Española) in 2019. This strategic document, which is not legally binding, aims to achieve sustainability in urban development policies, including the use of EU funds. The Ministry of Public Works oversees this agenda and has approved its own Action Plan in line with the EU Urban Agenda and the UN 2030 Agenda. The Action Plan covers regulation and planning, financing, governance, citizen participation, and knowledge exchange.

COHESION POLICY CONTEXT

Spain receives significant EU Cohesion Policy funding due to its size, and due to the fact that, during the 2014-20 period, many Spanish regions were classified as 'transition' or 'less developed'. Managing EU Cohesion Policy in Spain during this time involved collaboration between national and regional governments, with the national level playing a strong role in coordinating programming, monitoring, and evaluation. The national Managing Authority for both national and regional European Regional Development Fund (ERDF) programmes was the Ministry of Finance and Public Administration, while the Ministry of Employment and Social Security managed the European Social Fund (ESF). Regional governments, designated as Intermediate Bodies, also had significant responsibilities for programming, managing, and implementing the Regional Operational Programmes (ROPs). Each region, known as an 'Autonomous Community', exercised significant autonomy in managing interventions and projects, aligning with their specific development priorities and the decentralised political system. This regional management approach allowed for tailored strategies to meet the unique needs of each region, though challenges related to coordination and administrative capacity were encountered.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Sustainable Urban Development (Art. 7) Priority Axis

In Spain, Sustainable Urban Development (SUD) was implemented through a dedicated Priority Axis within the National Programme for Sustainable Growth, providing a strategic framework for urban development. A total of 173 strategies were carried out across Spain, funded exclusively by the ERDF and aimed at cities and towns with more than 20,000 inhabitants. These strategies were implemented across all 17 autonomous communities, selected through national calls based on region-specific budgets. The Urban Initiatives Network (Red de Iniciativas Urbanas - RIU), established during the 2007-2013 funding period and continued into 2014-20, provided support for implementation.

Aside from the population size requirement, there was no distinction between types of cities, which made it difficult to differentiate between urban and rural areas. Efforts were made to include smaller cities in this Territorial Delivery Mechanism, despite the European Commission's preference for focusing only on larger cities. Funding allocations ranged from €5 million for cities with fewer than 50,000 inhabitants to €15 million for larger cities, depending on regional budgets and local spending capacity. The non-discriminatory approach towards eligibility for SUD PrAx funding made it possible for diverse municipalities to participate, irrespective of their size. This facilitated promotion of a bottom-up approach, but did little to promote a more functional intervention logic, which would require a focus on larger settlements and metropolitan areas.

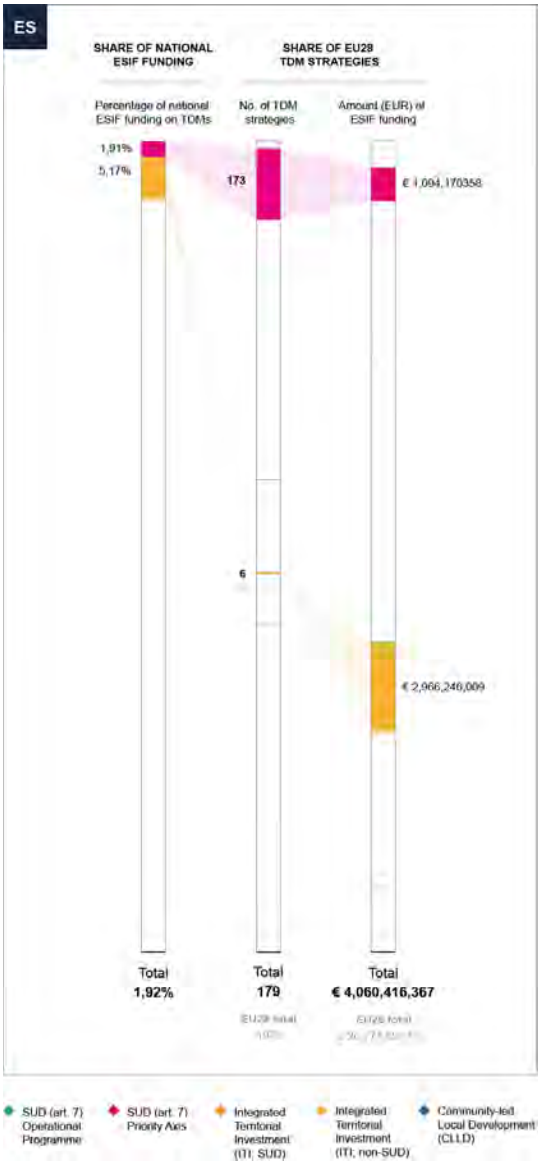
Challenges in implementation included slow fund absorption. Thus, by the end of 2022 merely 18% of the allocations decided were spent. This was due to limited capacity in the municipal authorities, material and human resource shortages, bureaucratic restrictions, operational complexity, administrative delays, etc.

Governance of this Territorial Delivery Mechanism was generally centralised, with specific tasks delegated to regional or local levels, sometimes leading to politically influenced decisions. Nevertheless, the implementation of these SUD strategies fostered knowledge exchange among cities and increased emphasis on integrated urban development, supported by participative governance. For example, in Soria, where the strategy focused on investing in the historic city centre, the SUD approach effectively addressed local needs and allowed for bottom-up engagement of local stakeholders, setting it apart from other policy initiatives.

Non-Sustainable Urban Development Integrated Territorial Investment

The non-SUD ITI instrument was utilised to support six territorial strategies. Some of these, such as ITI Azul, were significant both in terms of the EU funding committed (€1.3 billion) and their territorial scope. This particular ITI was designed

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



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to implement the international Atlantic Strategy (2011) through EU Funds, and consequently, it operated somewhat differently from other Spanish ITIs.

Other non-SUD ITIs adopted a more territorially focused approach. For example, the ITI Mar Menor in the Murcia region, involving eight municipalities, was based on a strategy for the integrated management of the Mar Menor basin. This strategy was characterised predominantly by environmental and geographical considerations within a well-defined socio-ecological system. It involved financing from various EU funds, including the European Maritime and Fisheries Fund (EMFF), European Regional Development Fund (ERDF), and European Agricultural Fund for Rural Development (EAFRD), reflecting its integrated approach that cuts across policy sectors. The Mar Menor strategy was developed in close cooperation with a diverse set of local stakeholders, ensuring a close alignment with the territory's development needs.

Overall, the main challenges faced by non-SUD ITIs in Spain, as observed in the case of ITI Mar Menor, included administrative obstacles and limited success in generating synergy across different funding streams. Regional-level governance was generally more effective than national-level governance, as inter-ministerial collaboration and communication continued to pose difficulties. Consequently, the non-SUD ITI was discontinued in Spain after the end of the 2014-20 period, undermining the continuity of the initiatives undertaken so far and limiting the regions' ability to address their territorial needs in the longer term.

Despite these challenges, non-SUD ITIs were seen as a flexible instrument, positively contributing to ERDF implementation, promoting cross-sectoral targeting of interventions, and fostering collaboration. The implementation of ITIs performed better than that of SUD PrAx strategies, with 36% of the allocated funds being absorbed by the end of 2022.

Triggering bottom-up engagement in Soria

The SUD PrAx strategy for Soria, a relatively small municipality in the Castilla y León autonomous community, was implemented through a blend of top-down management and bottom-up engagement of local stakeholders. As with similar strategies across Spain, Soria's SUD PrAx strategy followed a uniform, centralised approach, focusing on the strategic intervention areas outlined in the National Regional Development Strategy. It was funded through the Multiregional OP for Spain, specifically under Axis 12, focused on urban development. Despite this centralised framework, the Municipality of Soria was able to shape the strategy in an inclusive, bottom-up manner. By engaging a wide range of local stakeholders and communities through extensive consultations, the strategy formulation process was enriched, making it more closely aligned with local conditions and aspirations, setting it apart from other policy initiatives in the region. This collaborative effort allowed for the joint identification of the city's strengths, weaknesses, needs, and opportunities, leading to the development of 16 action lines to guide investment within the historic city centre, affected by population decline and socio-economic challenges. While this approach ensured a highly focused strategy, it did limit the ability to address broader functional linkages.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

IN SUM

Spain combined a centralised management of strategies, ensuring strong alignment with national and EU policy frameworks, with the delegation of competences to regional and local authorities. A stand-out feature of Spain's approach was the use of non-SUD ITI strategies to cover vast territories with similar geographical features, such as ITI Azul, covering the country's coastal areas. While this allowed for strategic coherence, the centralised management of these strategies limited the mobilisation of local actors and the ability to effectively address place-specific needs. In contrast, the engagement of local stakeholders was more prominent in the case of SUD PrAx strategies, enabling a more effective response to local needs. However, the narrow territorial focus of these strategies restricted the potential for pursuing functional integration.

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COUNTRY FICHE

FINLAND [FI]

Finland adopted a distinctive approach to Territorial Delivery Mechanisms for the 2014-2020 period. Notably, only one Sustainable Urban Development strategy was implemented through Integrated Territorial Investment (SUD ITI), but this strategy encompassed six cities across the country. It involved the local governments of Finland's largest cities—Helsinki, Espoo, Vantaa, Turku, Tampere, and Oulu—with the Ministry of Economic Affairs and Employment serving as the Managing Authority. The six-city strategy (6Aika) was financed by the European Regional Development Fund (ERDF) and the European Social Fund (ESF). This was the first Territorial Delivery Mechanism strategy in Europe to involve multiple, geographically distinct cities and was among the EU's most ambitious urban development initiatives. Its primary aim was to enhance competitiveness and improve the productivity of the Finnish public sector by fostering service innovation and boosting employment. EU funding was channelled into thematic objectives related to research and innovation, as well as supporting the transition to a low-carbon economy.

POPULATION	STATE TYPE
5.5 million	Decentralised

NATIONAL ESIF BUDGET

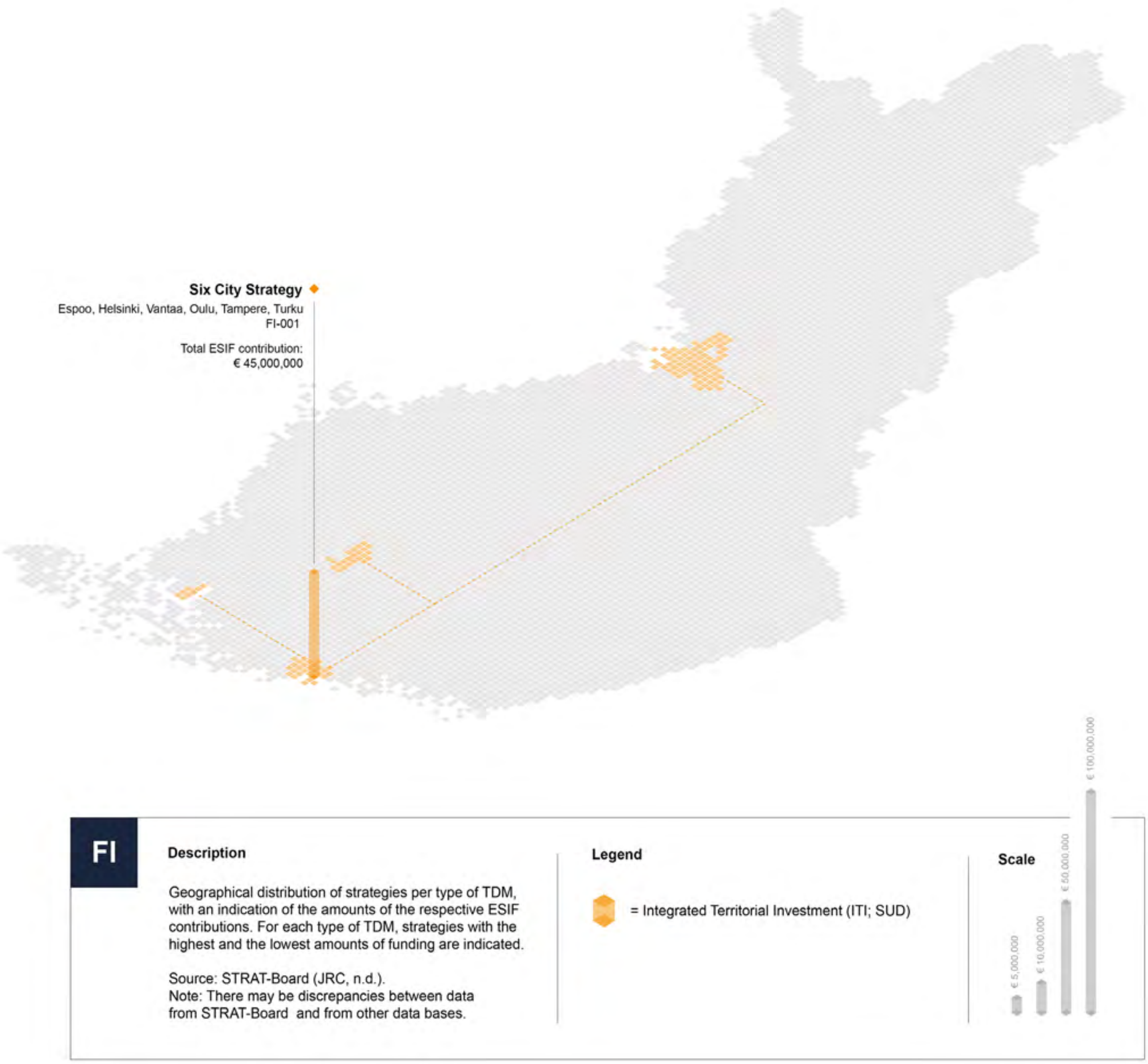
EU Contribution (EUR)	€ 4,933,068,771
National Contribution (EUR)	€ 5,893,394,282
Total Contribution (EUR)	€ 10,826,463,053

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	1	ERDF, ESF	5%	94%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**1**	**-**	**5%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Finland is an officially bilingual unitary state, organised on a decentralised basis, with three levels of governance: central, regional, and local. The country comprises 19 provinces (maakunta/landskap)—18 on the mainland plus the self-governing Åland Islands—and 310 municipalities (kunta/kommun). The 18 mainland provinces are represented by Regional Councils (maakunnan liitto/landskapsförbund), which are indirectly composed of local authorities and serve as mandatory joint municipal bodies. These councils are mandated by Finnish law and receive funding from member municipalities, as well as from the government and the European Union for regional development. However, the regional level in mainland Finland has limited self-governing powers (CoR, n.d.).

In Finland, cities are viewed as key drivers of national economic growth, while also playing a crucial role in regional development through their interaction with surrounding functional areas. Given Finland's small size, it is essential to align urban and national objectives, which requires close partnerships and the setting of joint goals.

At the national level, the Ministry of Economic Affairs and Employment and the Ministry of the Environment share responsibility for urban development. The regulatory framework during the 2014-20 period was largely shaped by Growth Agreements (2016-2018) between cities, city regions, and the Finnish state. Additionally, the cities of Helsinki, Tampere, Turku, and Oulu had separate agreements focused on land use, housing, and transport.

To coordinate urban policy centrally, the Urban Policy Committee was established in 2007. This committee, comprising representatives from ministries, cities, and the Association of Finnish Local and Regional Authorities, is responsible for drafting national urban policy. Urban development is facilitated through both national and EU-level programmes.

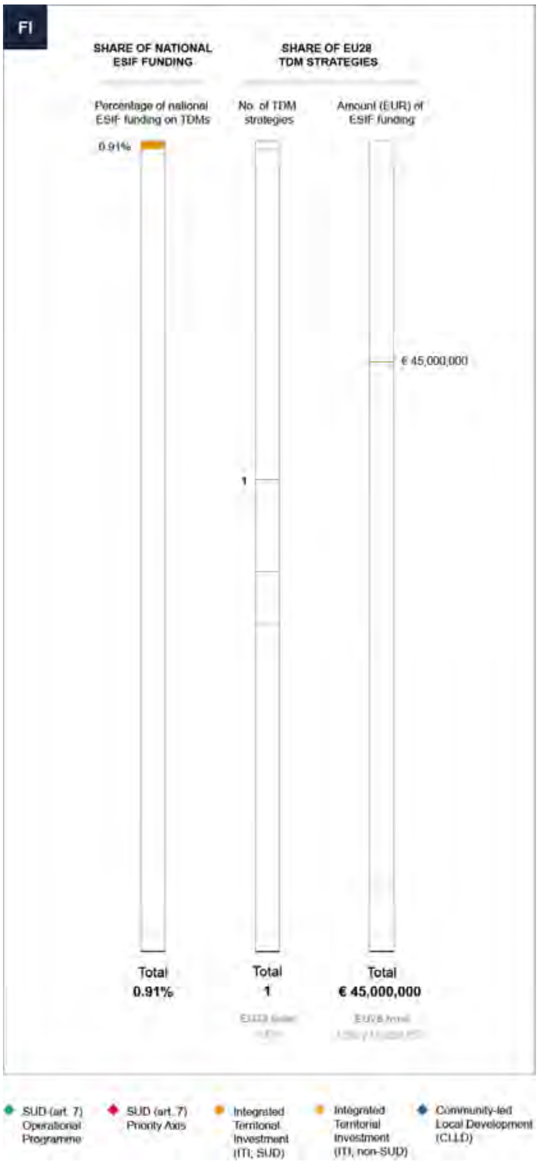
COHESION POLICY CONTEXT

During the 2014-20 programme period, Finland operated a single multi-fund Operational Programme (OP) titled Sustainable Growth and Jobs 2014-2020, which combined ERDF and ESF funding. Although the Ministry of Economic Affairs and Employment, as the Managing Authority, had overall supervisory responsibility for regional policy, the Intermediate Bodies at the regional level—comprising the Regional Councils and the Centres for Economic Development, Transport, and the Environment (ELY Centres)—were tasked with deciding how their respective regional funding frameworks were used and which projects were funded.

In addition, there was earmarked funding for the implementation of national themes. These were managed by the Ministry of Social Affairs and Health (for ESF-funded national projects) and Business Finland (responsible for research, development, and innovation funding), both acting as Intermediate Bodies. Cohesion Policy plays a key role in supporting and supplementing Finland's long-standing urban policy measures. It is crucial not only because it provides a longer-term framework (seven years, compared to the Government's four-year term) but also as an increasingly important source of funding for investment in regional and urban development.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



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Sustainable Urban Development Integrated Territorial Investment

A single, multi-city SUD ITI strategy was implemented in Finland in 2014-2020, combining funding from ERDF and ESF to address the joint challenges of the six largest Finnish cities in the areas of transport, health and local services. The participating cities included Helsinki (population c. 600,000), Espoo (c. 250,000), Vantaa (c. 200,000), Oulu (c. 190,000), Tampere (c. 216,000) and Turku (c. 180,000). The Six City Strategy (6Aika in Finnish) was part of the implementation of Finland's national Sustainable Growth and Jobs 2014-2020 OP. The six cities are key hubs for research, development and innovation activity in Finland and represent 30 percent of the country's total population forming a comparatively large area and a critical mass to compete internationally in this field.

The objective of the Strategy was to strengthen Finland's competitiveness and public sector productivity, develop new service innovations and promote businesses and employment. The six cities served as development and testing environments for products and services. The Strategy was implemented through projects, in which the city organisations developed services together with businesses, research and development organisations and residents.

The three core themes of intervention included: Open Innovation Platforms, Open Data and Interfaces, and Open Participation. This SUD strategy also represented the implementation at city level of the regional smart specialisation strategies (Research and Innovation Strategies for Smart Specialisation – RIS3) supported by Cohesion Policy.

The unique governance structure for the strategy involved the central government, regional authorities and municipalities in the implementation. The Ministry designated Helsinki-Uusimaa Regional Council to carry out the management and implementation of the strategy for ERDF, meanwhile the Centre for Economic Development, Transport and the Environment (ELY Centre) of Häme governed the overall funding of ESF projects. All the six cities were

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

designated also as informal Intermediate Bodies. They were involved in the implementation through the steering group, but the juridical responsibility remained at the regional council level being the official Intermediate Body. The steering group was composed of representatives of the cities, the Regional Council of Helsinki-Uusimaa region, Ministry of Economic Affairs and Employment, Ministry of Transport and Communications, Tekes, and the Six City (6Aika) strategy office. In practice, it was the management group which appoints the city representatives to the steering group (2 representatives plus one substitute per city). The steering group prepared items to the management group and implemented their decisions, was responsible for project application and assessment processes, steered the national and international networking, and Monitored the implementation of projects, reporting to the management group.

The management and implementation of the strategy was also supported by the centralised strategy office, the Six City strategy office, a role which has been performed by Forum Virium (the innovation company of the city of Helsinki). The strategy office was ensured that the implementation and the cooperation within Six City progressed in accordance with the decisions and direction of the management group. The strategy office was a separate project (ERDF co-financed), which was implemented by Forum Virium in partnership with the six cities.

A total of 60 projects were delivered as part of the strategy (of which roughly 2/3 was co-financed by ERDF and 1/3 by ESF). The projects included pilot projects and spearhead projects. The pilot projects had participants at least from two of the six cities, and were typically implemented by the city organisations, economic development agencies of the cities, universities and vocational institutions. The themes of the pilot projects ranged from smart mobility, learning, health and well-being to circular economy and energy efficiency. The spearhead projects focused on the core themes of the Six City Strategy and served as the foundation for the smaller pilot projects. The spearhead projects aimed to advance important components of the Finnish smart city model: customer-focused co-creation, open data, utilisation of data and service development in an urban environment setting.

The total public funding for the Strategy was approximately €95 million, of which ERDF funding accounted for c. €80 million and ESF c. €15 million. From the ERDF funds, roughly 80% of the allocation was invested in supporting research, development and innovation (€40.75 million), while remaining funds were used to support the shift towards low-carbon economy (€10 million). The financial implementation as part of the 6Aika strategy performed very well, with 94% of ERDF funding decided being spent already by the end of 2022. This contrasted starkly with mainstream Cohesion Policy where in the same period 73% of funding had been absorbed.

In terms of results, the Six City Strategy has intensified the collaboration between the cities, both at the strategic and the operational level. The Strategy was the only cooperation channel for large cities in the form of a programme in 2014-20. One of the Six City Strategy's main successes was that it was able to turn the cities into development and experimentation platforms. For example, educational institutions and healthcare environments were made available for business piloting purposes. Consequently, the Six City Strategy led to a new type of cooperation between the cities and the companies. Through the Six City projects, the companies were able to test the attractiveness and functionality of their products, services and operating models in urban environments, and gather feedback from users. These pilot projects consequently enabled businesses to improve their products and services in terms of their functionality and user-friendliness. Businesses have also gained more insights into the operation of city organisations. For example, working first with one city, made it easier to start collaborating with other cities as well.

Bringing together multiple geographically separate cities as part of a single strategy

Individually, the six cities included in Finland's SUD ITI strategy may not be large in terms of population, but collectively they form a significant population base, enabling them to compete internationally. Their cooperation has brought many benefits. The Six City Strategy was the only collaboration programme for these cities during 2014-2020, and its value lies in the fact that they worked simultaneously towards shared goals. This level of cooperation was unique, fostering collaboration not only between the cities but also among various organisations and experts within them, creating an extensive network of urban stakeholders. The Six City Strategy also redefined the role of cities in the business sector. Traditionally, city-business collaboration focused on procurement, but now cities have become facilitators of innovation and active partners in product and service development. Additionally, the strategy helped the cities connect with global Smart City networks and secure international funding. A key success factor of 6Aika has been transforming the cities into platforms for development and experimentation. Educational institutions and healthcare environments, for example, have been opened to businesses for experimentation, which has been highly valued by the business community.

IN SUM

Finland used a very distinctive approach to Territorial Delivery Mechanisms in the 2014-2020 programming period, choosing to implement just one SUD ITI strategy albeit for a network of six major cities. The strategy had notable governance impacts, by involving the cities in an unprecedented way as informal Intermediate Bodies for Cohesion Policy implementation and triggered intensive collaboration and networking amongst them and with urban stakeholders across Finland. New pilot cooperations were initiated between the cities and public and private sector actors. That said, the strategy had not much impact on collaboration between cities along the functional linkages due to its specific focus on territorially disconnected large cities.

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COUNTRY FICHE

FRANCE [FR]

Since 2014, the responsibility for managing European Structural and Investment Funds (ESIF) has been in the hands of Regional Authorities. The General Commission for Territorial Equality (CGET) oversaw the coordination and delivery of these funds, as well as the monitoring of the 2014-2020 Partnership Agreement. During the 2014-2020 programming period, French regions with their own Operational Programmes (OPs) could choose to implement Sustainable Urban Development (SUD) strategies either through an OP Priority Axis or via the Integrated Territorial Investment (ITI) instrument. SUD strategies were integrated into the broader national urban policy and coordinated with City Contracts. A total of 248 Sustainable Urban Development strategies were implemented across 18 regions, including 151 strategies via a priority axis (SUD PrAx) and 77 through ITI. Additionally, 20 non-SUD ITIs were implemented, covering various territories, but exclusively in the region of Brittany.

POPULATION	STATE TYPE
67.97 million	Decentralised

NATIONAL ESIF BUDGET

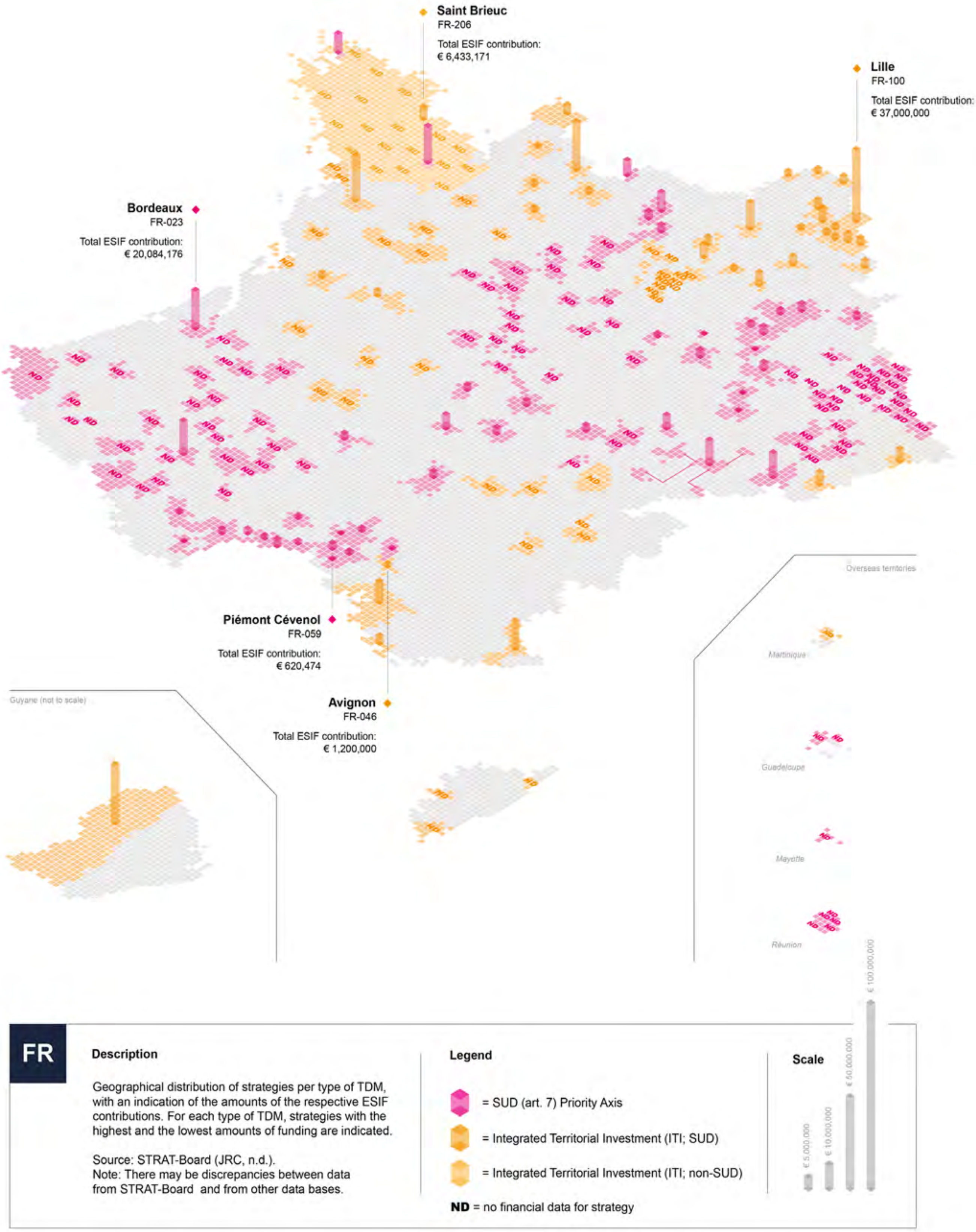
EU Contribution (EUR)	€ 36,556,410,687
National Contribution (EUR)	€ 4,933,068,771
Total Contribution (EUR)	€ 41,489,479,458

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	151	ERDF	2.2%	89%
Integrated Territorial Investment (ITI; SUD)	77	ERDF, ESF	4.4%	59%
Integrated Territorial Investment (ITI; non-SUD)	20	ERDF, ESF, EAFRD, EMFF	0.6%	77%
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**248**	**-**	**7.1%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

France is a unitary state with a decentralised structure, comprising three levels of territorial administration: Regions (régions), Departments (départements), and Municipalities (communes). Although these entities do not possess legislative powers, they perform their roles through regulations in certain areas and by managing their budgets. A 2015 reform (Loi NOTRe - Nouvelle organisation territoriale de la République) reduced and strengthened the regional administrative units, increasing their responsibilities. As a result, France now has 18 Regions, including 13

Metropolitan Regions and 5 Overseas Regions (CoR, n.d.).
The General Commission for Territorial Equality (CGET, Commissariat général à l'égalité des territoires) was a national agency under the Prime Minister that advised and assisted the government in creating and executing the French City Policy (Politique de la ville), which focused on revitalising priority neighbourhoods (quartiers prioritaires). The primary instruments for implementing the City Policy were City Contracts, implemented from 2015 to 2020. These contracts were centred around three main objectives: boosting economic activities and employment, enhancing social cohesion, and improving living conditions and urban renewal.
The CGET incorporated monitoring and evaluation mechanisms within the City Contracts. The National Observatory for City Policy (Observatoire national de la Politique de la ville - ONPV) was responsible for tracking the progress of priority neighbourhoods. In 2015, the territorial reform reduced the number of administrative regions in France, impacting urban development policies and governance. This reform also affected the structure of urban agglomerations involved in Sustainable Urban Development (SUD) strategies.
Since 2020, the Ministry for Ecological Transition and Territorial Cohesion has relied on a specialised agency, the National Agency for Territorial Cohesion (Agence nationale de la cohésion des territoires - ANCT). This agency aims to redefine the relationship between territorial entities and the State. It focuses on building capacity and providing targeted project support, while delegating project selection and management to local authorities. Continuing the work of CGET, ANCT is responsible for overseeing major funding programmes, coordinating State-Region planning contracts, and managing other place-based agreements in collaboration with regional authorities in the fields of urban and rural cohesion.

COHESION POLICY CONTEXT

In the 2014-2020 period, the EU Cohesion Policy in France was primarily implemented through regional and interregional Operational Programmes, funded mainly by the ERDF, and occasionally in combination with ESF funds. This implementation occurred within the framework of France's domestic decentralisation reforms. During this time, the management of ERDF, EAFRD, and EMFF was transferred from regional State representatives (préfets) to the Regional Councils. The regions acted as Managing Authorities for all ERDF funds and 35 percent of ESF funds. They also had the authority to delegate fund management to Intermediate Bodies at the sub-regional level, such as départements and large cities.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

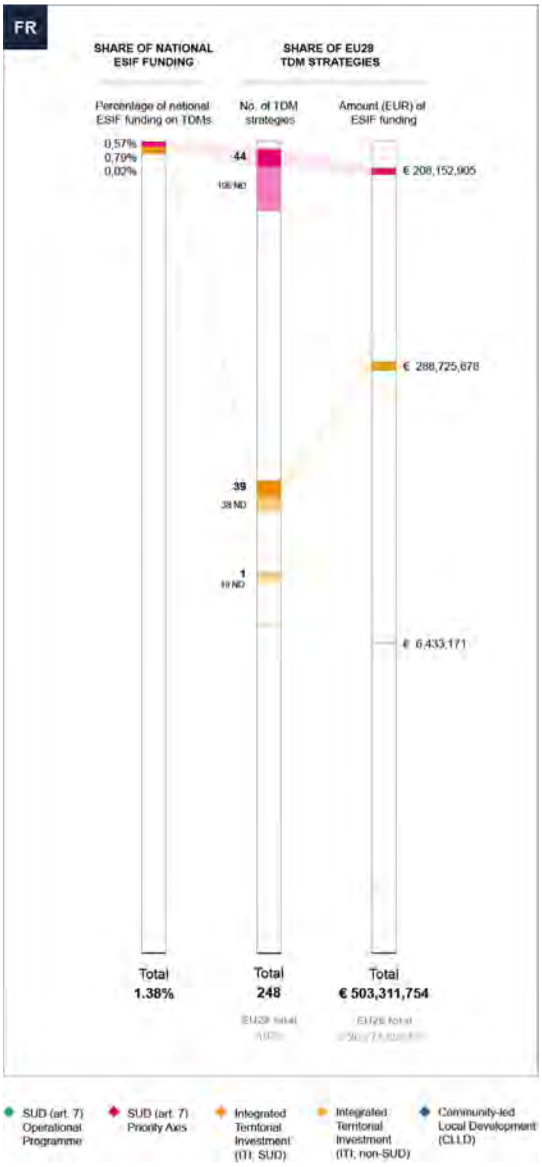
Sustainable Urban Development (Art. 7) Priority Axis

A significant number of SUD PrAx strategies were implemented across various French regions during the 2014-2020 period, with a total of 151 strategies delivered through the priority axes of 11 Regional Operational Programmes. These strategies accounted for 29% of the national SUD financial envelope (Réseau Europe Urbain, 2019).
The French SUD PrAx approach offered the advantage of concentrating interventions in priority urban areas, aligning with national urban policy. Notably, 55% of the SUD PrAx strategies targeted priority urban areas in need of intervention, compared to 44% of SUD ITIs. Meanwhile, 27% of strategies focused on wider urban agglomerations, compared to 48% of SUD ITIs, with the remainder concentrating on city administrative boundaries. However, even in cases where strategies prioritised Functional Urban Areas (FUAs) within agglomerations, many projects still focused on actions within specific deprived neighbourhoods.
SUD PrAx strategies tended to have a more limited thematic focus compared to the broader ITI strategies. Additionally, the financial allocations for SUD PrAx strategies were generally smaller than those for some ITI strategies. Insights from the Open Data Platform indicate that ERDF funding under SUD PrAx was primarily used to promote social inclusion, followed by support for the transition to a low-carbon economy and environmental protection. Smaller amounts were allocated to supporting Small and Medium-sized Enterprises (SMEs) and improving the quality of employment. Despite the narrower thematic scope, evidence suggests that operations supported by SUD PrAx were integrated, addressing multiple thematic areas (Réseau Europe Urbain, 2019).
With 89% of ERDF funding decided being spent by the end of 2022, the French SUD PrAx strategies

Sustainable Urban Development Integrated Territorial Investment

While implementing SUD strategies through a Priority Axis of a regional OP was an option, many regions chose to do so via the ITI mechanism. In total, 77 SUD ITI strategies were established as part of 16 Regional Operational Programmes (ROPs), some combining European Social Fund (ESF) and European Regional Development Fund (ERDF) funding, while others opted for the latter alone. In terms of funding allocations, many of the ITI strategies were comparable to SUD PrAx, but some stood out with much larger budgets, such as the strategies of Île-de-France, Nord-Pas-de-Calais, Pays-de-la-Loire, and La Réunion (Réseau Europe Urbain, 2019).
Thematically, SUD ITI strategies covered a broader range of objectives than SUD PrAx strategies. Most resources were allocated to promoting a low-carbon economy and fostering social inclusion. This broader scope was appreciated by Intermediate Bodies, enabling them to deliver more integrated investments within

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

their territories, better respond to local needs through collaboration with intercommunal public cooperation institutions, and encourage more innovative projects where local authorities might not have otherwise participated.

Some difficulties arose when strategic objectives spanned both urban territories within ITIs and the wider region through mainstream funding. In such cases, misunderstandings sometimes occurred, and project promoters occasionally questioned the added value of an ITI (Réseau Europe Urbain, 2019). Additionally, as seen elsewhere in Europe, challenges were encountered in integrating ESF and ERDF due to differing regulations for each fund. By the end of 2022, the financial implementation of ERDF funds, with 59% of the allocated amount spent, was relatively slow and lagged behind the pace of implementation of mainstream Cohesion Policy funding.

Non-Sustainable Urban Development Integrated Territorial Investment

Non-SUD strategies were also implemented through ITIs in France during the 2014-2020 period, though exclusively in Brittany. A total of 20 non-SUD ITIs were carried out, combining funding from various sources, including the ERDF, ESF, European Agricultural Fund for Rural Development (EAFRD), and European Maritime and Fisheries Fund (EMFF).

Delegating strategy formulation to the Pays level ensured a strong alignment with local needs, as demonstrated in areas like Pays de Saint-Malo. Although the territorial boundaries of the strategies were decided in a top-down manner, consultations with local stakeholders ensured their agreement.

The Pays authorities managed the design and implementation of the strategy, while operations, such as improving energy efficiency in buildings, were carried out by specific companies or organisations at the local level. For example, in Saint-Malo, housing associations were tasked with improving energy efficiency in social housing estates, enabling effective distribution of funding across the region according to local needs.

Thematic focus was broad, with most of the funding allocated to the low-carbon economy and support for SMEs, while smaller amounts were directed towards social inclusion, environmental protection, and improvements through information and communication technologies. However, the thematic emphasis varied by region. The Saint-Malo ITI strategy, for instance, prioritised themes like housing and energy renovation.

A pre-allocation of regional and European funds to these territories, totalling €366 million for the 2014-2020 period, facilitated better coordination of funding and strengthened the partnership approach. Key elements of success included support to territorial actors by policy officers from the Managing Authority, quarterly meetings with local facilitators, thematic specialisation of territorial strategies, and work of the Single Programming Committee, that successfully brought together diverse territorial stakeholders to attract new beneficiaries of funding.

However, challenges included the complexity of monitoring procedures, different management rules for each fund, the need for local stakeholders to become familiar with the frameworks of various European funds, and the potential loss of visibility for the Region's interventions (Edater, 2020).

In terms of financial implementation, non-SUD ITIs in Brittany performed better than SUD ITIs in other parts of France, with 77% of allocated ERDF funds spent by the end of 2022, surpassing the performance of mainstream Cohesion Policy funding as well.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Differentiated Approach to Territorial Coverage of ITI Strategies

In terms of geographic scope, there were notable differences in the strategies adopted by various regions for ITIs. Brittany opted for a comprehensive approach, extending coverage across its entire territory using multi-fund ITIs. Conversely, the Region Sud concentrated its resources on its three major metropolitan areas—Aix-Marseille, Toulon, and Nice—while Occitanie adopted a mixed strategy, addressing both urban and rural areas within its territory. These choices reflect the political and strategic priorities of each region and their varying levels of commitment to tailoring funds to specific needs. However, these differences do not appear to have significantly affected the overall effectiveness of the strategies (Parnaix et al., 2020).

IN SUM

The case of France is notable for its use of a diverse range of Territorial Delivery Mechanisms through a substantial number of strategies. These mechanisms supported the national urban policy and facilitated a more place-based approach to Cohesion Policy. Specifically, SUD ITI, SUD PrAx, and non-SUD ITI strategies were employed to deliver thematically integrated operations tailored to local needs, either by focusing on deprived areas or by involving relevant local stakeholders. In certain instances, particularly when an SUD strategy was implemented in a Functional Urban Area (FUA), functional connections were also enhanced. Additionally, urban authorities were given new management roles in Cohesion Policy, along with the much needed resources to tackle local challenges more effectively. This approach also led to the engagement of new stakeholders in the territories, especially through non-SUD ITIs.

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COUNTRY FICHE

CROATIA [HR]

Sustainable Urban Development (SUD) was a new concept in Croatia, introduced through the Cohesion Policy's urban agenda and implemented via Territorial Delivery Mechanisms during the 2014-2020 period. Its adoption necessitated significant learning and capacity-building, particularly within municipalities encouraged to coordinate activities within Functional Urban Areas (FUAs). Croatia primarily implemented SUD through Integrated Territorial Investment (ITI) strategies, with eight strategies deployed in cities with populations exceeding 50,000. While these strategies were intended to integrate resources from the European Regional Development Fund, European Social Fund, and Cohesion Fund, in practice, there was limited operational-level integration due to administrative challenges.

POPULATION	STATE TYPE
4.15 million	Decentralised

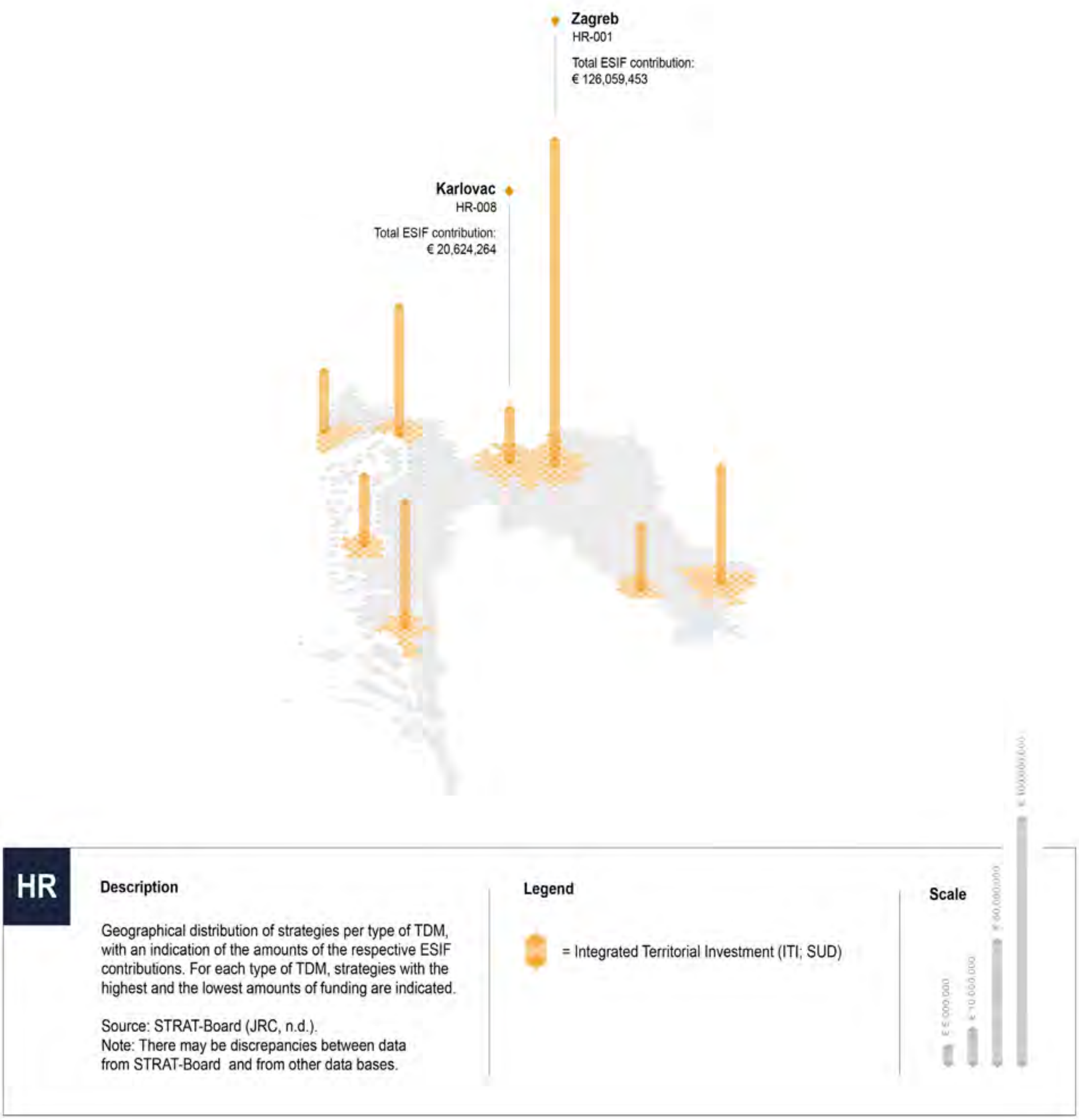
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 12,192,960,533
National Contribution (EUR)	€ 2,009,380,031
Total Contribution (EUR)	€ 14,202,340,564

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	8	ERDF, ESF, CF	3.74%	37%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**8**	**-**	**3.74%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Croatia operates as a unitary state, with its territorial administration divided into 20 counties (županije), each governed by its own assembly and local authorities. The central government, head-quartered in Zagreb, oversees national issues like defence, foreign affairs, and finance. Within the counties, municipalities and cities manage local matters such as education, healthcare, and public services, with local councils playing a key role in grassroots decision-making. Although counties possess some degree of autonomy, the central government maintains considerable control over critical functions. This structure aims to balance uniform governance across the country with local representation and responsiveness to regional needs.

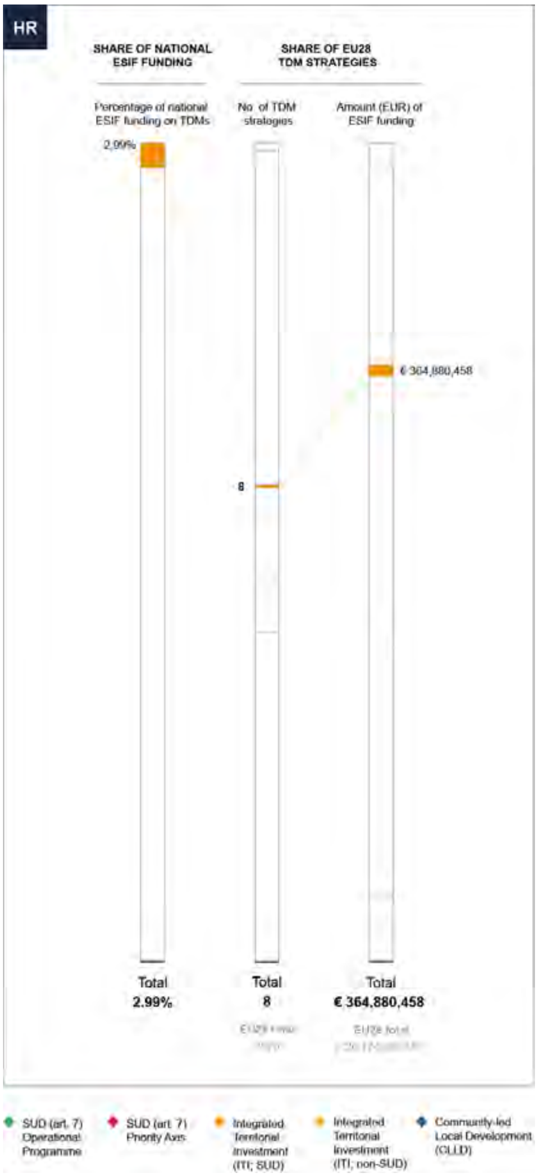
COHESION POLICY CONTEXT

Between 2014 and 2020, Cohesion Policy in Croatia was primarily implemented through two National Operational Programmes. Despite the presence of elected authorities at the regional level, the management system for Cohesion Policy remained centralised. The Operational Programme (OP) Efficient Human Resources, funded by the European Social Fund (ESF), was managed by the Ministry of Labour and Pension System. Meanwhile, the European Regional Development Fund (ERDF) and Cohesion Fund (CF) were allocated to support the OP Competitiveness and Cohesion, which was overseen by the Ministry of Regional Development and EU Funds. This ministry not only served as the Managing Authority (MA) for the national OP but also functioned as the Coordination

Body for SUD ITI strategies, which were implemented exclusively in the largest urban areas. Urban authorities acted as Intermediate Bodies (IBs) for these strategies, with the exception of the City of Rijeka, which also assumed the role of implementing body for its respective strategy.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

During the 2014-2020 programming period, Croatia implemented Sustainable Urban Development (SUD) strategies primarily through the Integrated Territorial Investment (ITI) mechanism in its largest urban areas. This was linked to the introduction of the National Law on Regional Development.

Thematically, the SUD ITI strategies were broad in scope, addressing environmental protection, the development of business infrastructure and networks, low-carbon initiatives, as well as research and innovation. While the strategies were primarily funded through the European Regional Development Fund (ERDF), with additional support from the European Social Fund (ESF) and the Cohesion Fund (CF), in practice, integrating these funding streams proved to be a significant challenge.

To access ITI funding, the selected larger cities had to define Functional Urban Areas (FUAs) in collaboration with neighbouring municipalities—a major innovation introduced by this instrument. These cities were also responsible for developing comprehensive and long-term urban development strategies, with goals extending beyond the immediate objectives of the ITI. National guidelines provided criteria based on spatial continuity and commuting patterns, but cities were required to develop additional criteria, such as sustainable urban transport, to better reflect local needs. For example, Rijeka included a criterion focused on the sustainability of traffic and infrastructure systems, demonstrating innovation in addressing challenges that spanned municipal boundaries. This approach facilitated territorially integrated operations across municipalities.

The strategy drafting process encountered difficulties due to the limited experience and strategic capacity of some local authorities; however, capacity was also built during the process. Rijeka's experience exemplifies the added value of the SUD ITI initiative. It spurred the creation of a new Department of Strategic Planning within the city authority, marking a significant shift in the city's approach to strategic development. The initiative also led to new horizontal collaboration across municipalities within the city's FUA and contributed to the development of capacity to steer urban development and manage Cohesion Policy as an Intermediate Body, with support from the national government. Simultaneously, vertical coordination across levels was strengthened through the formation of a Partnership Council—required for each SUD ITI strategy—which included representatives from local NGOs, the Chamber of Commerce, universities, and entrepreneurs, ensuring broad stakeholder engagement.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Promoting cooperation in Functional Urban Areas

The implementation of Sustainable Urban Development (SUD) Integrated Territorial Investment (ITI) strategies in Croatian cities has significantly driven the development of governance capacity at the Functional Urban Area (FUA) level, encouraging municipalities to collaborate beyond their administrative borders. In the Municipality of Rijeka, which acted as the Intermediate Body for its SUD ITI strategy, close cooperation was established with 10 municipalities within its FUA. Weekly coordination meetings were organised by a dedicated Working Team set up specifically for this strategy. These meetings rotated across the municipal headquarters involved and featured thematic workshops and site visits to identify the specific investment needs across the diverse FUA. This approach facilitated more precise targeting of needs, the formulation of a shared vision, and the implementation of some of the first territorially integrated projects in Croatia, such as those focused on heritage valorisation. Additionally, the process added value by promoting knowledge exchange among the municipalities involved. Furthermore, SUD ITI formalised existing collaboration among mayors and municipal executives within Rijeka's FUA, particularly in traffic and infrastructure management. An agreement among local leaders established an operational body to steer the implementation strategy, supported by dedicated project teams that prepared materials and facilitated decision-making.

IN SUM

While the SUD ITI strategies in Croatia encountered some challenges, particularly in fund integration and uneven capacity at the local level, they also achieved significant successes. Notably, the strategies added value by stimulating the engagement of local non-state stakeholders and fostering new partnerships across municipalities. This approach facilitated the development of strategies that addressed local needs within FUAs and the design of integrated urban projects that transcended municipal boundaries.

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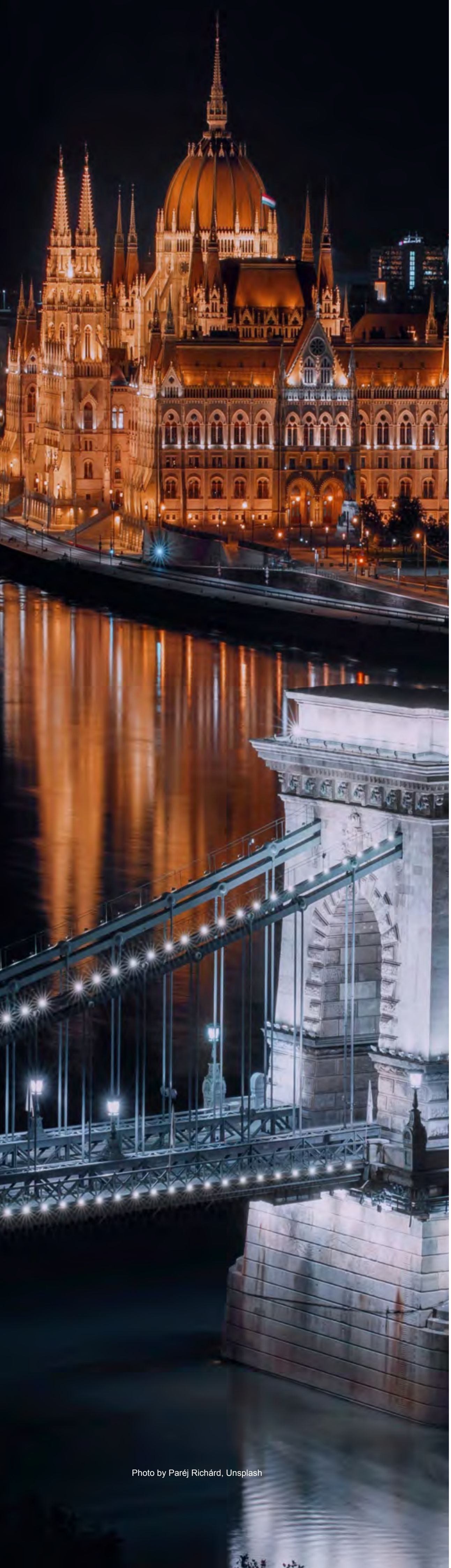


COUNTRY FICHE

HUNGARY [HU]

During the 2014-20 programming period, Sustainable Urban Development (SUD) initiatives in Hungary targeted 22 cities with special status (county rights) situated in less developed regions. The capital, being part of a more developed region, was excluded from this focus. These initiatives were executed through a multi-fund Priority Axis (SUD PrAx) within the Hungarian Territorial and Settlement Development Programme. Additionally, 98 Community-led Local Development (CLLD) strategies were implemented, drawing on funding from the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

POPULATION	STATE TYPE
9.79 million	Centralised

NATIONAL ESIF BUDGET

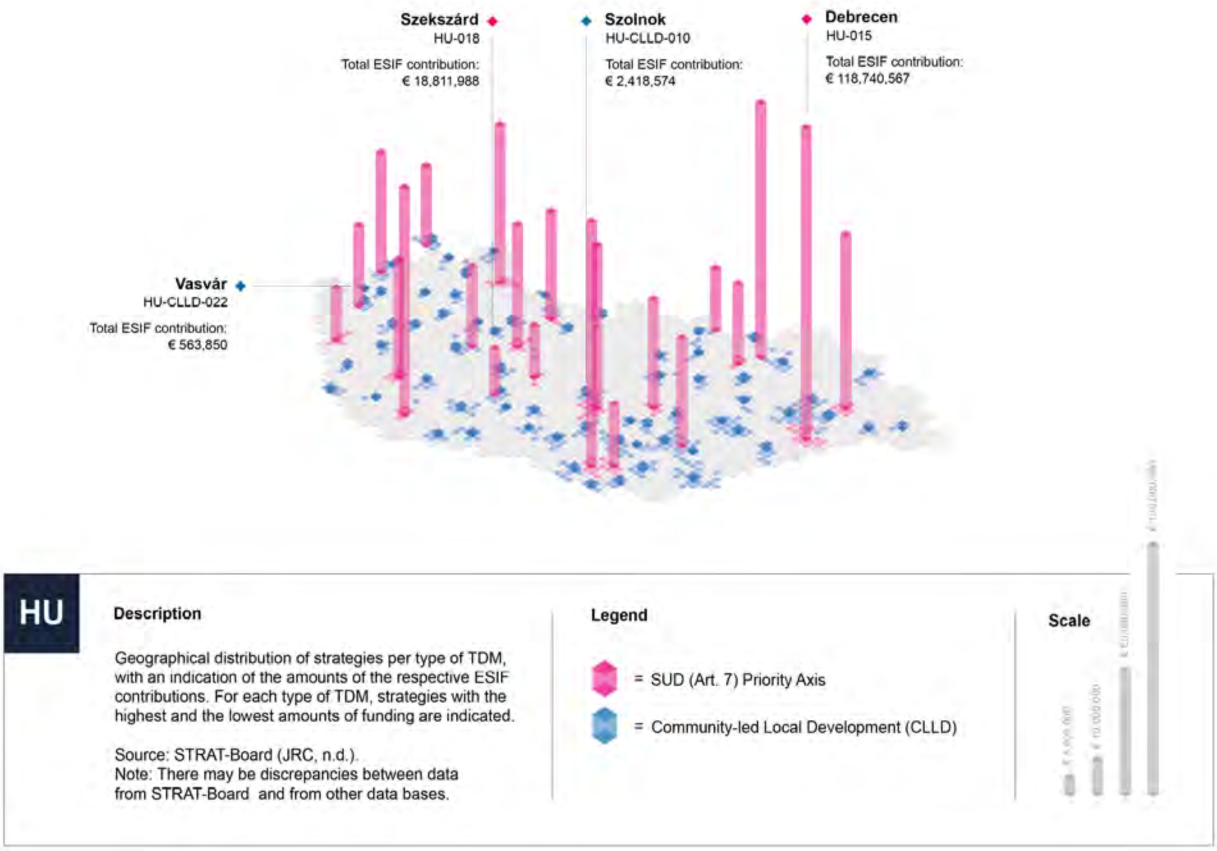
EU Contribution (EUR)	€ 27,158,525,188
National Contribution (EUR)	€ 4,929,243,431
Total Contribution (EUR)	€ 32,087,768,619

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	22	ERDF, ESF	7.3%	74%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	98	ERDF, ESF	0.5%	79%
TOTAL	**120**	**-**	**7.8%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Hungary operates with three tiers of governance: national, regional (county), and local. The country is divided into 19 counties (megye) and 3,154 municipalities (település). At the local level, governance is organised into 2,809 communities (község), 322 towns (város), 23 towns with county rights (megyei jogú város), and the capital, Budapest (Budapest Főváros). Budapest itself is split into 23 districts (kerület).

There is no hierarchical relationship between the county and municipal levels of local government. Counties are tasked with handling responsibilities that municipalities are not equipped to manage, including territorial development, rural development, land-use planning, and coordination of regional activities.

Additionally, Hungary is divided into seven statistical regions, which were established in 1999 in preparation for the country's EU accession. Hungary's regional policy seeks to reduce territorial imbalances and promote accessibility and mobility through a polycentric spatial structure. This policy is closely aligned with EU Cohesion Policy, which provides significant funding to the country.

Urban development policy is shaped by the National Development and Territorial Development Concept (Nemzeti Fejlesztés 2030), and key principles for urban planning are outlined in the National Development 2030 framework. Hungary's most comprehensive urban policy initiative, the National Settlement Policy, was launched in 2016-17 by the Prime Minister's Office. Until this policy is fully implemented, urban development continues to be guided by the broader National Development Concept. The Modern Cities Programme, a national investment scheme, plays a significant role in urban development, bolstered by substantial EU structural funds.

COHESION POLICY CONTEXT

In the 2014-20 period, Hungary implemented Cohesion Policy primarily through a centralised governance structure, with strong oversight from national ministries and limited autonomy for regional and local authorities. A series of centrally managed Operational Programmes (OPs) were launched to drive development.

The Territorial and Settlement Development Programme utilised the ERDF and Cohesion Fund to promote urban and regional growth in less developed regions, focusing on infrastructure, economic development, public services, and Sustainable Urban Development (SUD) under a dedicated Priority Axis. The Economic Development and Innovation OP leveraged ERDF and ESF to enhance economic competitiveness through investments in small and medium-sized enterprises (SMEs), innovation, research and development, and the green economy. Meanwhile, the Human Resources Development OP, using the same funds, prioritised human capital development in areas such as education, employment, healthcare, and social inclusion. The Environmental and Energy Efficiency OP, supported by ERDF and the Cohesion Fund, targeted environmental protection, climate adaptation, and energy efficiency.

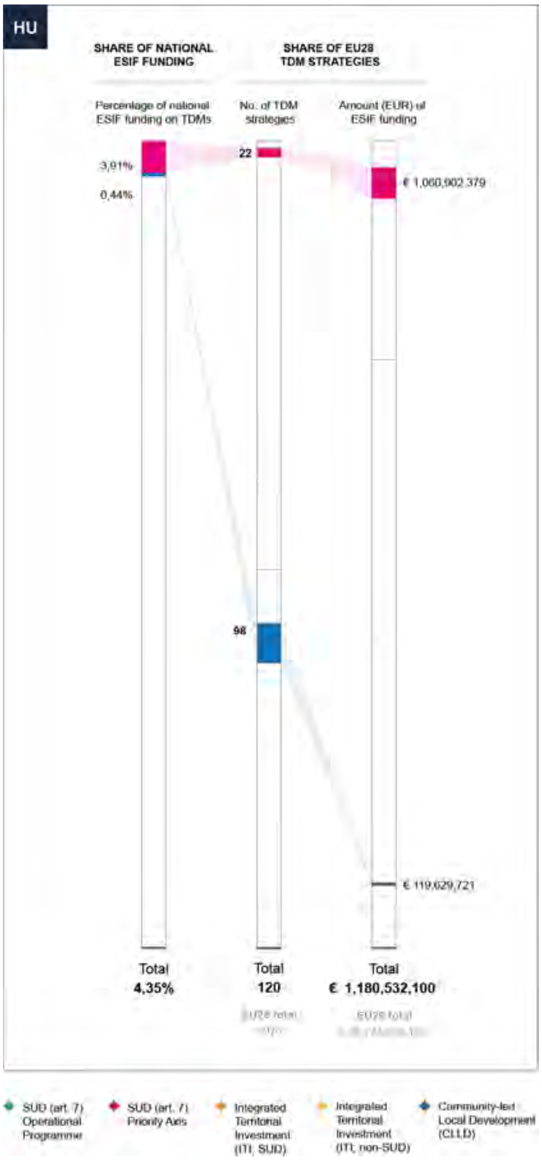
The Rural Development Programme drew on the European Agricultural Fund for Rural Development (EAFRD), alongside ERDF and the European Maritime and Fisheries Fund (EMFF), to support rural development, including through CLLD strategies. The Fisheries and Aquaculture OP, funded by the EMFF, was directed towards supporting Hungary's fisheries and aquaculture sectors.

In 2013-14, Hungary introduced significant reforms to improve the coherence and efficiency of territorial development. City-wide development strategies were integrated into Operational Programmes, highlighting the central role of Cohesion Policy in national territorial planning. Hungary also placed emphasis on aligning territorial strategies and plans across governance levels, with some responsibilities delegated to sub-national authorities.

By the end of the programming period, Hungary's urban policy had seen considerable development. However, as the planning process evolved, the focus on territorial dimensions and integrated approaches waned. From the outset, sectoral plans only superficially addressed territorial considerations, and over time, sectoral themes became increasingly detached from territorial planning efforts. Importantly, there was no systematic evaluation of local development needs by policy experts, meaning broader territorial contexts and potential synergies between territorial and sectoral development remained largely unexplored. This lack of evaluation prevented these synergies from being fully realised in both the planning and project selection stages.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (art. 7) Priority Axis

The SUD Priority Axis (PrAx) of the Territorial and Settlement Development Programme targeted 22 cities with county rights in less developed regions, excluding Budapest. These urban authorities were granted the role of Intermediate Body, resulting in substantial decentralisation, with project selection delegated to the municipalities. Cities were provided with dedicated budget allocations, which they could manage independently within the thematic areas outlined in the Operational Programme (OP).

SUD PrAx funding played a crucial role in supporting urban development due to the limited availability of domestic resources. Hungary's territorial development has been shaped in line with Cohesion Policy requirements to ensure complementarities and facilitate implementation.

Each city engaged in a strategic planning process, creating a long-term integrated settlement development concept, a medium-term Integrated Settlement Development Strategy based on previous strategic documents, and an Integrated Territorial Programme (ITP), aligning their mid-term strategy with EU-funded OPs. A standard set of objectives and indicative budget allocations was provided to guide this process. However, cities retained the flexibility to choose which parts of the ITP to implement directly and which to address through competitive calls for projects. While the process was centrally managed, cities were invited to give feedback on draft calls for proposals developed by the Managing Authority to ensure they better met local needs.

One shortcoming of the SUD approach in Hungary was the lack of a clear rationale for using the SUD PrAx instrument. Additionally, the strategies were restricted to the administrative boundaries of the cities/towns, which limited the potential for strengthening functional linkages. Nevertheless, within their territories, cities were able to identify areas for urban regeneration projects and could consider functional linkages during project selection. Some cities, like Kaposvár, also sought to coordinate SUD PrAx operations with those

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

supported by other national programmes and local resources.

A key value added by the SUD PrAx strategies was the mobilisation of local stakeholders during strategy formulation. In Kaposvár, the establishment of a partnership plan and thematic working groups enabled consultations with a wide range of stakeholders, including civil society, business organisations, churches, and the general public. This structured approach highlighted the importance of inclusivity and collaboration in planning. However, in the implementation phase, existing cooperation structures with territorial stakeholders were deemed sufficient, and no new stakeholders were engaged, as seen in Kaposvár. Greater thematic flexibility could have further enhanced bottom-up implementation.

ERDF funding was allocated to four thematic objectives. The largest share was directed towards developing quality employment (€451 million), followed by promoting a low-carbon economy (€236 million). Environmental protection and resource efficiency received €176 million, while social inclusion was allocated €69 million.

Financially, the SUD PrAx strategies outperformed mainstream Cohesion Policy. By the end of 2022, 74% of the allocated funds had been utilised in projects, compared to 52% for mainstream programmes.

- **Community-led Local Development**

Overall, 98 CLLD strategies were deployed across Hungary. A relatively small amount of funding was allocated to these strategies. Primarily urban-oriented, the Hungarian CLLD strategies typically targeted either entire cities and towns or specific parts of urban areas such as districts and neighbourhoods. All ERDF funding for CLLD strategies fell under the social inclusion thematic objectives. Within this framework, the strategies supported a diverse range of investments across various policy fields, including social inclusion, public spaces, employment and skills development, culture and heritage, and youth initiatives, with funding provided by the ERDF and the ESF. Although there is limited empirical evidence on the impacts of CLLD strategies in Hungary, it can be assumed that each strategy engaged local stakeholders through Local Action Groups to develop and implement the strategies.

By the end of 2022, 79% of the allocated funding had been used for CLLD projects, slightly exceeding the pace of implementation for SUD PrAx strategies and significantly outperforming mainstream Cohesion Policy.

Tailoring SUD PrAx strategy in Kaposvár to the local needs

The city of Kaposvár has a population of around 60,330 and is one of the 22 major Hungarian cities with county rights. It is the capital of Somogy County and also one of the leading cities in the Transdanubia region. The municipality has identified three broad development areas: competitiveness and employment; sustainable ecological and energy systems; and a high-quality urban environment, with an emphasis on an active, healthy, and cohesive society. The city chose to focus on ensuring coherence with other local development strategies, which were used to guide project selection under SUD PrAx and implementation planning. Kaposvár’s approach to integration was rooted in the operational translation of the city’s overall development strategy, with an emphasis on how different funding sources could complement the priorities outlined in the strategy. Furthermore, a range of stakeholders from the private and civil sectors, as well as local communities, were involved in drafting the strategy, further enhancing the effort to tailor it to local needs.

IN SUM

During the 2014-20 period, Hungary implemented Territorial Delivery Mechanisms primarily in urban areas. Despite a top-down approach used for SUD PrAx, considerable effort was made to adapt the strategies to the specific needs of the cities involved. Although the emphasis on administrative boundaries limited the ability to address functional linkages through strategic connections, efforts were also made to promote functional and thematic integration. This was achieved by ensuring that the interventions under the SUD PrAx strategy complemented projects funded by other OPs and domestic measures.

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COUNTRY FICHE

IRELAND [IE]

The only Territorial Delivery Mechanisms (TDMs) implemented in Ireland in 2014-20 were 20 SUD strategies implemented through dedicated OP Priority Axes, with relatively modest budgets.

POPULATION	STATE TYPE
4.72 million	Decentralised

NATIONAL ESIF BUDGET

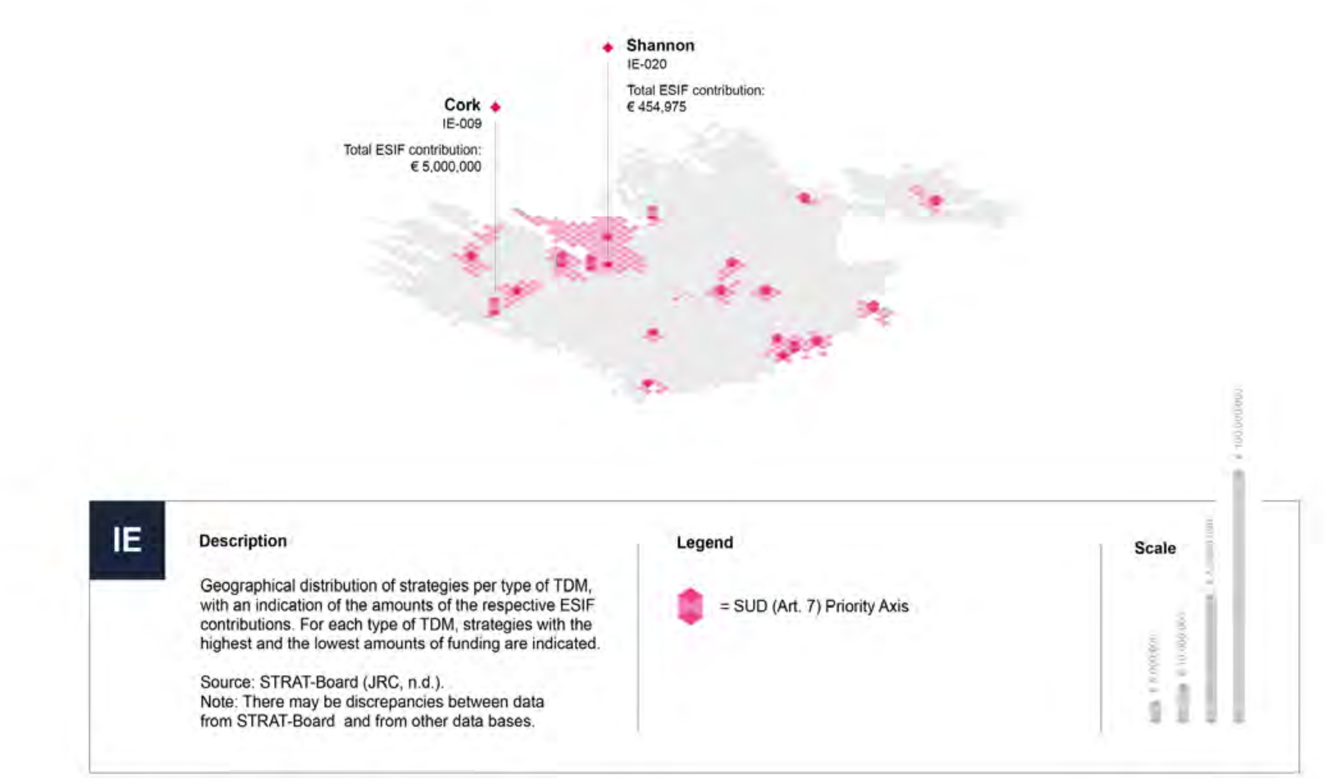
EU Contribution (EUR)	€ 4,385,185,880
National Contribution (EUR)	€ 2,832,957,810
Total Contribution (EUR)	€ 7,218,143,690

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	20	ERDF	7.9%	34%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**20**	**-**	**7.9%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanisms (TDMs)



GOVERNANCE CONTEXT

Ireland is characterised by a unitary state structure with a central government overseeing the entire country. There is a devolved system, comprising local authorities and regional assemblies playing roles in various aspects of governance. The country's administrative divisions include: counties, cities, and towns each of them with their own level of autonomy. Ireland's territorial governance framework seeks to balance central control with regional and participation in decision-making processes. The country has 31 local authorities and 3 Regional Assemblies.

COHESION POLICY CONTEXT

Both Irish ERDF programmes have a 100% commitment and project selection rate since mid-2017 for SUD projects. As for the recent national developments, the Irish National Development Plan (NDP) 2018-27 establishes a national Urban Regeneration and Development Fund (€2 billion) to drive the delivery of specific core NDP priorities thereunder. The Fund will support NDP growth enablers for the four regional growth centre cities (Galway, Limerick, Waterford and Cork) but also for cities such as Sligo, Athlone and Portlaoise and other regionally significant centres in Ireland.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

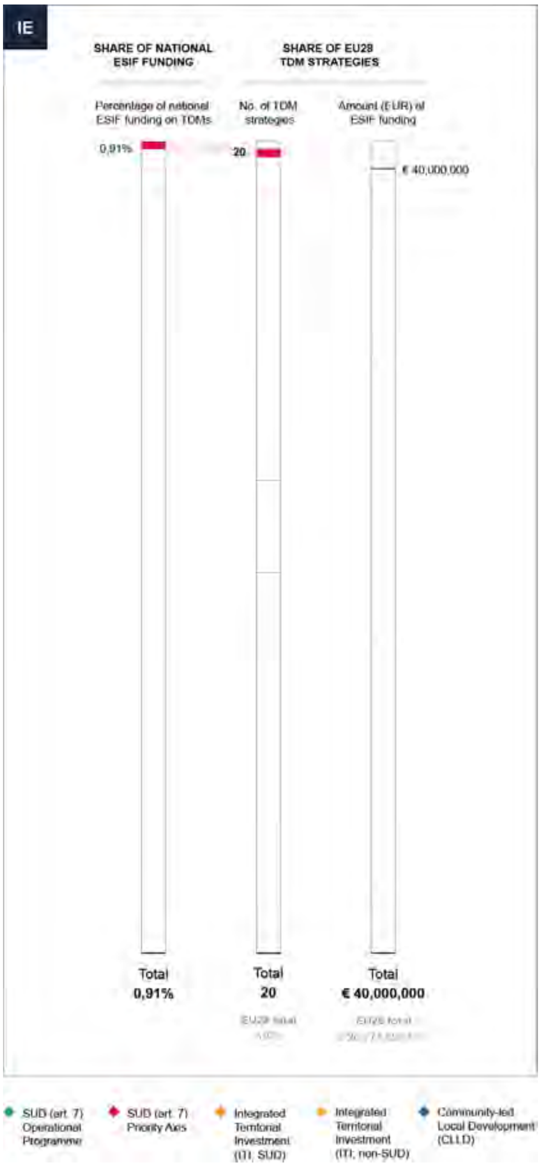
Sustainable Urban Development (Art. 7) Priority Axis

The Irish SUD strategies were executed through the Irish designated Urban Centres Grant Scheme 2014-20. The chosen urban areas a diversity of areas from the capital city, Dublin (1 million inhabitants), to smaller and medium-sized towns across Ireland. These eligible urban areas were identified based on the National Spatial Strategy, which outlined a network of key cities and towns across the country capable of acting as growth poles and distributing benefits throughout the wider region. Medium-sized urban hubs were to both bolster and benefit from the Gateways, linking to rural areas.

Both Irish ERDF OPs feature dedicated priority axes focusing on urban environment revitalisation and public transport, which shaped the focus of the SUD strategies. Interventions supported included activities such as urban regeneration, brownfield regeneration, community and cultural infrastructure development, air and noise pollution reduction, sustainable multi-modal public transport, or traffic information systems. The interventions concentrate on specific areas and projects within the selected urban areas, prioritising support to project implementation rather than overarching strategies due to the modest funding amounts and limited project numbers in each location, as compared to SUD PrAx strategies in other countries. Project generation and selection were based on the needs of the local areas, with projects requiring to demonstrate strategic alignment with the integrated strategy for the relevant Gateway/ Hub. A Steering Committee assessed this alignment and made decisions regarding funding allocation.

In the latter stage of the programme delays were experienced due in large part to COVID-19, as access to buildings was an issue. Subsequently shortages of skilled contractors to complete work and some procurement/ supplies issues were also noted, resulting in late commitment of all funding in both of the Regional OPs. The strategies have been implemented through the Designated Urban Centres Grant Scheme to increase the number of integrated urban regeneration initiatives, to improve the urban environment and revitalise urban areas. Many of the projects were impacted by COVID-related delays and rising costs, which caused problems in the finalisation of the programme. In particular local authorities had to undertake contract modifications and as a result had been asking for extensions of timetables and increases of funding.

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

IN SUM

The Irish approach to SUD PrAx strategies entailed a high degree of integration with national policy objectives set out in the country's National Development Plan and National Spatial Strategy. However, the relatively modest funding led to focus on supporting project implementation rather than responding to place-specific development needs. The functional focus of the strategies was on the local scale, rather than on functional areas. The main takeaway from the 2014-20 period has been the opportunity to work more closely with local authorities and valorise networks and links that this collaboration has generated. This has been taken forward in the 2021-2027 period with the links between Cohesion policy investments and the country's Town Centre First Strategy. The experience of the 2014-20 period has also provided lessons in managing risk, and delays in capital projects.

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* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

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COUNTRY FICHE

ITALY [IT]

In the 2014-20 programming period a diverse set of Territorial Delivery Mechanisms was used across Italy. Several types of Sustainable Urban Development Strategies (SUD) were implemented reflecting the diversity of the urban and territorial structures in this country, the complexity of its administrative and governance mechanisms, and the highly differentiated financial allocations across the regions. Italy is the only country where SUD strategies are used both through a dedicated multi-fund national programme on Metropolitan Cities (NOP Metro) and through 16 Regional Operational Programmes (ROPs) supported by the European Regional Development Fund (ERDF). Overall, Italy implements 195 SUD strategies across the country, with only few regions not having any SUD strategies (Valle d'Aosta, Basilicata, Lazio and the two autonomous provinces of Trento and Bolzano). Non-SUD Integrated Territorial Investment (ITI) strategies were also implemented across Italy, while most of the Community-Led Local Development (CLLD) strategies were deployed in Sicily.

POPULATION	STATE TYPE
60.59 million	Decentralised

NATIONAL ESIF BUDGET

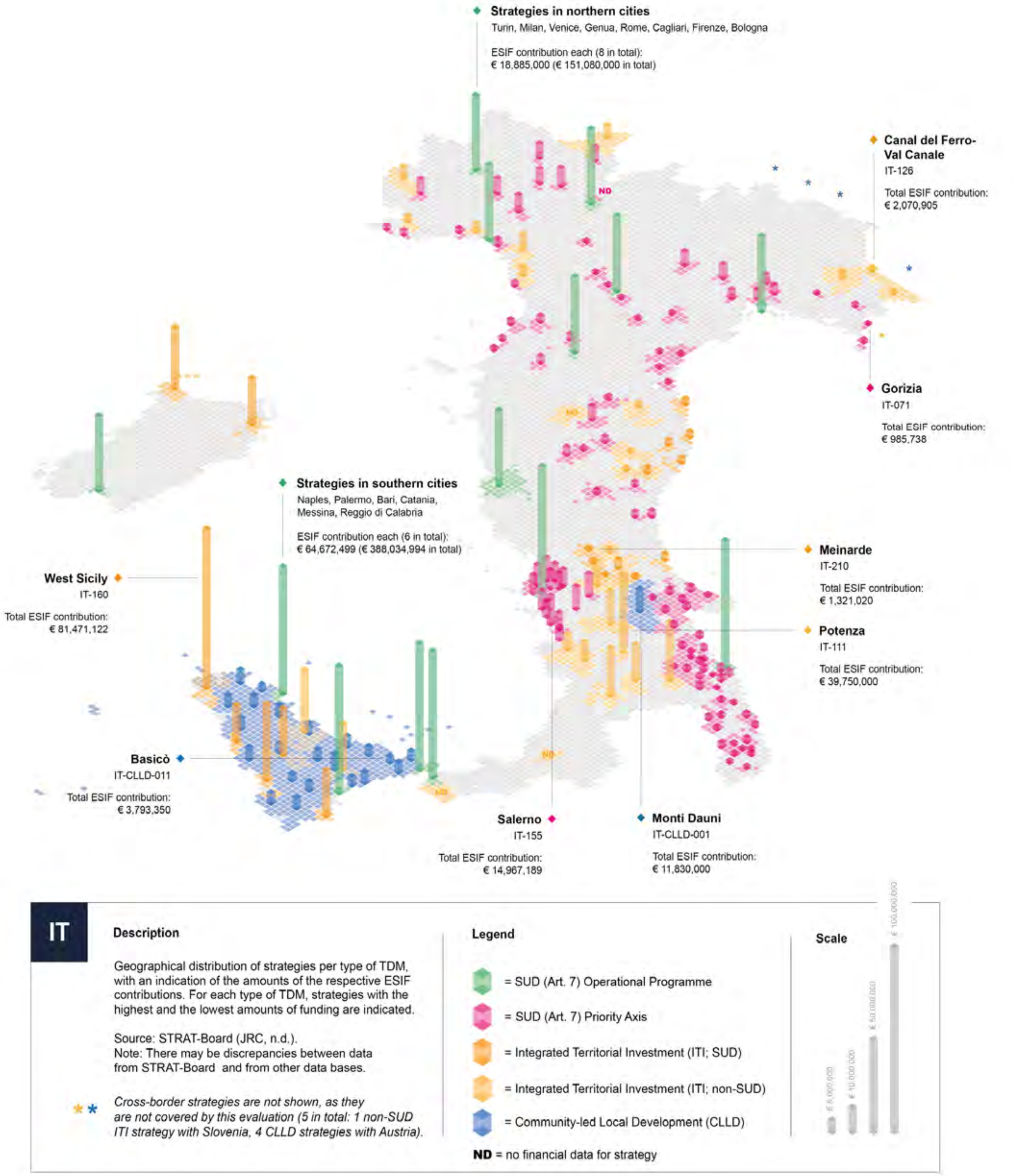
EU Contribution (EUR)	€ 62,763,594,674
National Contribution (EUR)	€ 30,493,749,962
Total Contribution (EUR)	€ 93,257,344,636

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	14	ERDF, ESF	4.5%	31%
SUD (Art. 7) Priority Axis	112	ERDF	1.5%	41%
Integrated Territorial Investment (ITI; SUD)	26	ERDF, ESF	1.5%	45%
Integrated Territorial Investment (ITI; non-SUD)	20	ERDF, EAFRD, ESF, EMFF	0.9%	51%
Community-led Local Development (CLLD)	23	ERDF, EAFRD	0.1%	61%
TOTAL	**195**	**-**	**8.6%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.). Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. In Italy, there were also 4 cross-border CLLD strategies implemented, but they were not covered by this evaluation.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

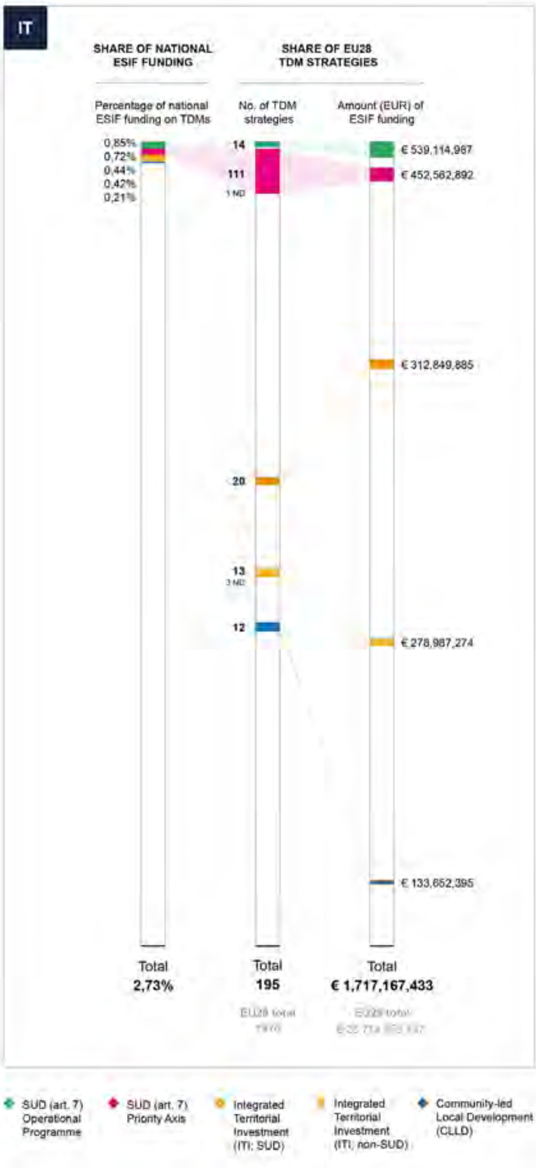
Italy has a decentralised structure that offers greater autonomy to regional and local bodies. The country is divided into regions, each with varying degrees of autonomy, and further subdivided into provinces and municipalities. Regions possess legislative powers and responsibilities in areas such as health, education, and transportation. The central government retains authority in strategic matters. Local governments, including municipalities, play a role in service delivery and local development. This multi-level governance structure aims to balance national unity with regional diversity and address specific local needs within the broader framework of the Italian state. Its territorial administration system is highly decentralised and diversified including 20 regions, 14 metropolitan cities, 107 provinces and 7901 municipalities.

COHESION POLICY CONTEXT

The 2014-20 ESIF programming period in Italy included 75 Operational Programmes (OPs) co-financed by four funds: ERDF, ESF, European Agricultural Fund for Rural Development (EAFRD), and European Maritime and Fisheries Fund (EMFF). Italy's decentralised system assigns each National Operational Programme (NOP; Programma Operativo Nazionale) or Regional Operational Programme (Programma Operativo Regionale) to its respective Managing Authority (MA). As regards NOPs, the MA is the department of the line ministry or the Agency for Territorial Cohesion. The same MA may serve two NOPs (e.g. the Ministry of Economy and Finance, the General Inspectorate for Relations with the EU for OP Governance and Institutional Capacity and OP on Metropolitan Cities). While ROPs are managed by regional institutions, such as the Education, Training and Employment Directorate (Direzione Istruzione, Formazione e Lavoro) in Piemonte or the Department of Labour, Vocational Training, Cooperation and Social Security (Assessorato del Lavoro, Formazione Professionale, Cooperazione e Sicurezza Sociale) in Sardinia.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7) Operational Programme

There were 14 SUD OP strategies implemented across Italy, combining ERDF and European Social Fund (ESF). What distinguished the Italian approach to this Territorial Delivery Mechanism was the deployment of the innovative NOP focusing on the advancement of metropolitan regions (NOP METRO), providing a basis for these strategies, with the aim to overcome some of the coordination of various territorial and organisational obstacles encountered by the Italian metropolitan areas.

The focus of the Italian SUD OP strategies was on smart city development and social innovation. The metropolitan authorities not having a strong institutional basis, they were not appointed as Intermediate Bodies for NOP METRO. In fact, at the beginning of the 2014-20 programming period, metropolitan authorities in Italy were at an early stage, while the European Commission required that SUD strategies are managed by urban authorities with experience in implementation of interventions and adequate capacity. This forced the MAs to interact with the mayors of the 14 regional capital cities instead.

In addition, the 14 metropolitan areas were chosen and allocated resources in a top-down manner at the national level on the basis of a national assessment of territorial needs, not letting the metropolitan authorities define their priorities for the SUD OP strategies. This hindered development of strategies according to functional territorial rationales. However, the NOP METRO exerted positive impacts on the territories covered. The lack of predefined institutional structures enabled the multi-level governance process and innovation to take place at an operational level. The NOP Metro strengthened functional linkages at the metropolitan scale, creating new collaborations within the functional area, between the municipal governments involved and between them and the central government, while contributing to the development of institutional capacity of the municipalities involved and facilitating their access to EU funding. Most cities covered under the NOP Metro also received additional support from ROPs.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Sustainable Urban Development (Art. 7) Priority Axis

No fewer than 112 SUD Priority Axis (SUD PrAx) strategies were implemented in Italy, funded exclusively by the ERDF and in a more decentralised manner. The implementation of this mechanism in Italy led to a significant shift towards granting decision-making authority to local-level organisations, particularly in the selection of projects, and fostered stronger collaboration between regional and local authorities. The PIUs (Progetti di Innovazione Urbana) were implemented through a negotiation procedure between the region and the municipalities, focusing on selecting interventions eligible for co-financing. After identifying the most eligible PIUs, a co-planning phase involving both the region and municipality took place, culminating in the signing of a Programme Agreement between the two institutions.

For example, in the case of the SUD PrAx strategy in Rosignano Marittimo, the municipality served as an implementing body and played a pivotal role in selecting and executing operations. It worked closely with the Region of Tuscany, ensuring the strategy closely aligned with local needs and potentials, thereby enhancing the effectiveness of ERDF-funded interventions. This collaboration was facilitated through a dedicated platform for monitoring and information exchange between the region and the municipality and by engaging a diverse range of stakeholders from outside the public administration sector (e.g., schools), contributing to the development of a more place-based approach to ERDF implementation in the urban area.

Sustainable Urban Development Integrated Territorial Investment

The SUD ITI strategies in Italy combined ERDF and ESF funding, as part of ROPs. Overall 26 SUD ITIs were deployed across the country, focusing, like SUD OP strategies, on services to citizens and city users as well as on social inclusion, while having flexibility to insert an additional objective according to the local needs. Thus, overall, SUD ITIs covered a wide range of thematic objectives. Examples of SUD ITI include the Sustainable Urban Strategy Agrigento (Strategia di Sviluppo Urbano Sostenibile Autorità Urbana di Agrigento) and the Sustainable Urban Strategy Messina (Strategia di Sviluppo Urbano Sostenibile Autorità Urbana di Messina).

Non-Sustainable Urban Development Integrated Territorial Investment

The implementation of non-SUD ITI strategies was carried out across 10 regions in Italy, aligning with the National Strategy for Inner Areas (Strategia Nazionale delle Aree Interne). The primary objective was to enhance the quality of life and economic prosperity of residents inhabiting remote and sparsely populated regions, aiming to reverse negative demographic trends in 'inner areas' across Italy. The underlying rationale involved addressing socio-economic disparities by improving quality of life, creating new work opportunities, and ensuring access to essential services such as education, healthcare, and transportation, thereby fostering the development of these inner areas. These strategies exhibited a wide-ranging thematic scope tailored to local needs and developmental prospects, encompassing all Thematic Objectives. Funding for non-SUD ITI strategies was sourced from the ERDF, ESF, and EAFRD.

Community-led Local Development

Italy allocated funding to over 20 CLLD strategies, predominantly situated in Sicily, with only one exception (the Monti Dauni CLLD strategy in the Puglia region). These strategies are specifically designed for rural regions and receive financial support from both the EAFRD and the ERDF in the Sicilian case, and from the ERDF and EMFF in the case of Puglia. The strategies aim to involve citizens at the local level, through Local Action Groups (LAGs), in developing responses to social, environmental, and economic challenges.

A national strategy underpinning non-SUD ITI implementation

The National Strategy for Inner Areas (Strategia Nazionale delle Aree Interne, SNAI) is a strategic line of intervention of ESIF for both the 2014-20 and 2021-2027 programming periods. It represents an innovative national policy of development and territorial cohesion, which aims to face the demographic decline of the inner areas of our country. The strategy focus on areas defined according to the following criteria: considerable remoteness from primary hubs providing vital welfare services such as education, healthcare, and transportation; presence of valuable environmental assets including water resources, agricultural landscapes, and diverse natural and man-made environments, or cultural heritage; presence of a varied landscape shaped by the interplay of natural processes and human endeavours. Such areas cover roughly 60% of the territory of Italy, being home to about 20% of the population. From among these inner areas, 72 project areas, grouping several municipalities have been selected for the implementation of the SNAI. This strategy helped develop new methods of multilevel local governance through the adoption of an integrated approach to promote local development (Agencia per la Coesione Territoriale, n.d.; Rossitti et al., 2021).

IN SUM

Italy's case stands out for having a large number of strategies in place and implementing all types of TDMs, often integrating funding from several ESIF. A centralised design of SUD OP strategies, to some degree, hindered the tailoring of strategies to territorial needs; however, their implementation did strengthen functional linkages at the metropolitan scale, improve cross-level coordination, and empower local authorities. In the case of other TDMs used - implemented in a more decentralised manner - territorial needs were addressed in a more place-tailored way, with local authorities and other local stakeholders playing a significant role in implementation. TDMs also largely contributed to closer collaboration between local and regional authorities and across municipal boundaries, developing institutional capacity in the process.

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COUNTRY FICHE

LITHUANIA [LT]

During the 2014-20 programming period, Territorial Delivery Mechanisms were employed across nearly all of Lithuania's territory. The main tool used was Integrated Territorial Investment (ITI), which was applied to five Sustainable Urban Development (SUD ITI) strategies for major cities and to 10 strategies for polycentric regions, though these also included smaller urban areas. The ITIs were financed by the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund (CF). These strategies were aimed at specific areas, referred to as target territories, selected by the national government and stakeholders based on their challenges and potential for revitalisation. A significant portion of the national ERDF and CF allocation was dedicated to ITI strategies in Lithuania, amounting to 14.2%.Complementing the ITIs, 39 smaller Community-led Local Development (CLLD) strategies were also implemented, solely funded by the ESF, to advance social inclusion, innovation, employment, and gender equality.

POPULATION	STATE TYPE
2.84 million	Centralised

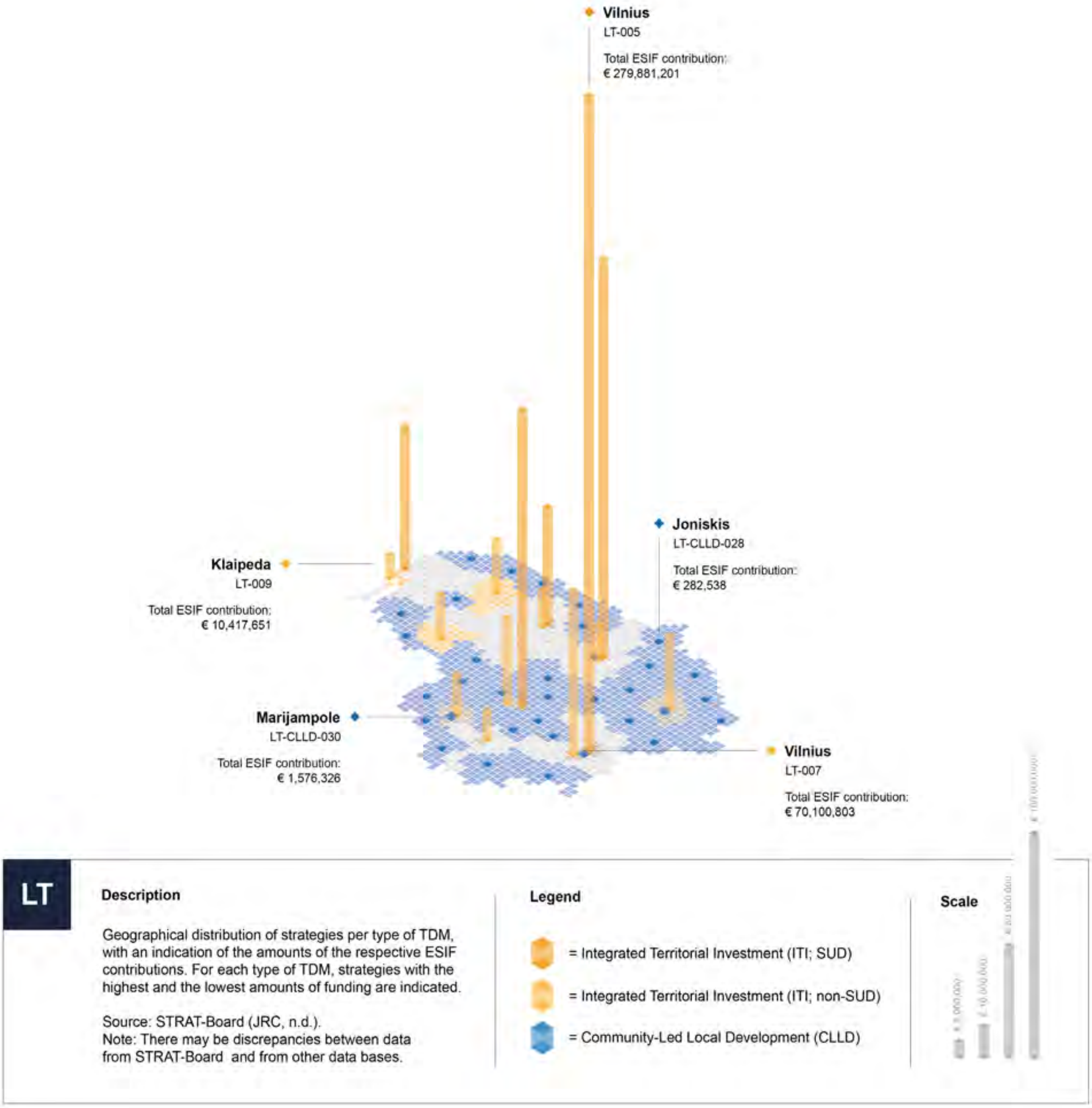
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 9,334,655,430
National Contribution (EUR)	€ 1,655,777,425
Total Contribution (EUR)	€ 10,990,432,855

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	5	ERDF, ESF, CF	5.4%	78%
Integrated Territorial Investment (ITI; non-SUD)	10	ERDF, ESF, CF	8.7%	80%
Community-led Local Development (CLLD)	39	ESF	No data	No data
TOTAL	**54**	**-**	**14.2%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.). Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. No data was available on the share of the ERDF/CF allocation or the financial implementation of the CLLD strategies, which relied only on ESF funding. As a result, the total share of the ERDF/CF allocation for the implemented strategies excludes the CLLD strategies.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Lithuania has a highly centralised system of territorial governance. The country is divided into 10 counties (apskritis) and 60 municipalities (savivaldybė). Since the abolition of county administrations in 2010, counties now function solely as territorial and statistical units, with most of their former responsibilities transferred to central government agencies, while some were delegated to municipalities. Municipalities remain the only entities with self-governing powers, overseeing local matters such as education, healthcare, and public services, with municipal councils responsible for local decision-making.

Urban policy in Lithuania is jointly managed by national and local authorities. At the national level, the regulatory framework is governed by three key documents: the Comprehensive Plan of the Territory of the Republic of Lithuania, the Law on Territorial Planning, and the National Environmental Protection Strategy. The Ministry of the Interior is the primary body responsible for urban development at the national level, but other stakeholders, including professional associations (like the Architects' Association of Lithuania), government agencies, research institutions, and NGOs, also play a role. Both national and local authorities share responsibility for territorial development, planning, and the implementation of urban development policies and laws.

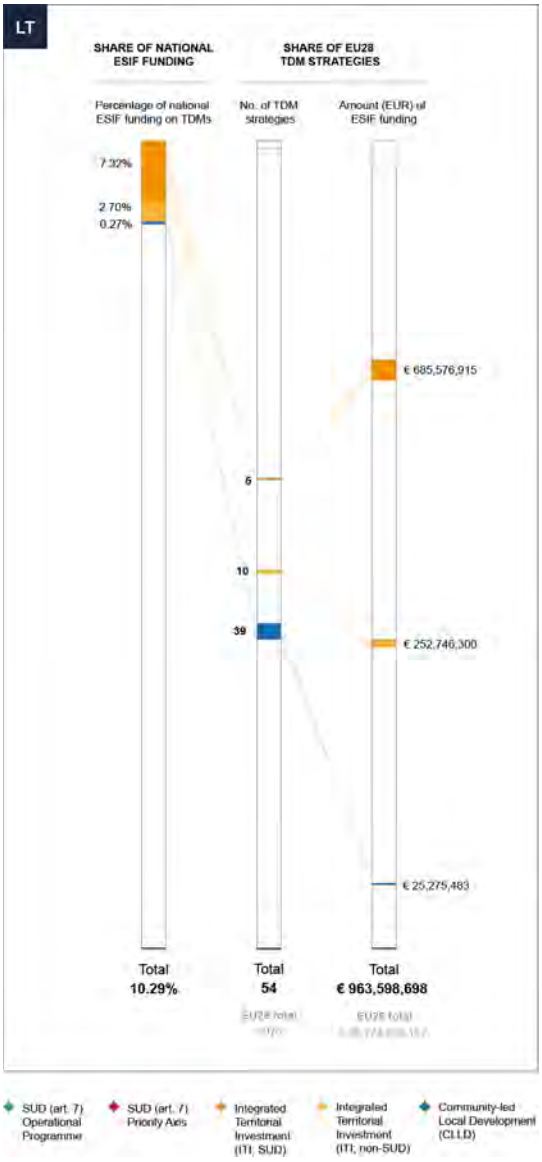
COHESION POLICY CONTEXT

Cohesion Policy in Lithuania during the 2014-20 period was primarily implemented through the Operational Programme (OP) for EU Structural Funds Investments. This multi-fund programme, financed by the ERDF, ESF, and CF, combined key EU investment resources to support Lithuania's economic growth and address issues such

as social exclusion, unemployment, and energy security. The OP covered all 11 Thematic Objectives. The Ministry of Finance, specifically its EU Investment Department, acted as the Managing Authority, with assistance from various Intermediate Bodies (primarily sectoral ministries) and Implementing Agencies.
Responsibility for regional and urban policy in Lithuania is shared between national and local authorities. At the national level, the Ministry of the Interior plays the central role in urban and regional development and served as an Intermediate Body for territorial development mechanisms during the 2014-20 period. Both local and national authorities are tasked with territorial development and planning, as well as implementing the national urban development policy and associated laws.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 period, Lithuania implemented five Sustainable Urban Development (SUD) ITI strategies in its largest cities: Vilnius, Kaunas, Klaipėda, Šiauliai, and Panevėžys. These strategies aimed to address structural challenges such as declining natural population, negative net migration, and mismatches between labour supply and market needs.
The largest share of ERDF and CF funding was dedicated to improving quality employment (€174 million). Significant funds were also allocated to environmental protection (€29 million), education and training (€29 million), and network development (€28 million). Smaller allocations were made for promoting a low-carbon economy (€9 million) and social inclusion (€5 million). By the end of 2022, 78% of the allocated ERDF and CF funds had been utilised, slightly exceeding the 75% absorption rate for mainstream Cohesion Policy funding during the same period.

Non-Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 period, Lithuania implemented a total of 10 non-SUD ITI strategies. Similar to the urban-focused strategies, these were funded through a mix of ERDF, ESF, and CF. Some of these strategies operated at the county level, targeting investment in smaller municipalities. For instance, the Utena ITI focused on six cities, emphasising ERDF and CF investments in their urban areas. However, a key challenge was the lack of functional or strategic integration between the individual strategies developed by each municipality.
One of the notable benefits of these strategies was the empowerment of municipalities, granting them a significant role in strategy development within their own boundaries. The process was collaborative, with various task groups defining key objectives and using tools such as SWOT analysis to outline primary activities. In the case of Utena ITI, this collaborative approach was crucial in integrating strategies aimed at attracting new businesses, creating high-quality jobs, and addressing the challenges faced by shrinking post-industrial cities. The focus was on diversifying economic activities and improving employment opportunities in small towns, while also reducing socio-spatial disparities.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

By the end of the programming period, the Utena ITI had successfully engaged local communities, including NGOs, sports associations, and innovation clusters. This involvement improved awareness of available funding and had a tangible impact on citizens' living environments. The municipalities appreciated the ITI's ability to deliver investment packages tailored to local needs more effectively than mainstream Cohesion Policy funding. This was facilitated by the ITI's flexibility, allowing municipalities to select specific actions aligned with both overarching objectives and national/regional strategic documents.

Moreover, case studies revealed that ITI strategies, like the one in Utena, enhanced vertical coordination between local municipalities and central government ministries. However, the approach also had limitations. Functional linkages across municipal boundaries were not developed, as each municipality focused on its own area. Additionally, no new local organisations were established for the ITI, leaving municipalities responsible for planning, implementation, and reporting. The lack of inter-institutional cooperation at the central level and the separation of 'hard' and 'soft' operations hindered the delivery of an integrated approach.

Overall, the non-SUD ITI strategies in Lithuania covered a broad range of intervention themes. The largest portion of funding was allocated to improving employment quality (€303 million), followed by strengthening networks (€68 million), promoting a low-carbon economy (€54 million), environmental protection (€25 million), and social inclusion (€25 million). Smaller amounts were directed towards education and training (€6 million) and combating climate change (€2 million).

In terms of financial performance, the non-SUD ITI strategies in Lithuania were effective, with 80% of the allocated ERDF/CF resources spent by the end of 2022.

Empowerment of municipalities but without strengthening inter-municipal cooperation

In the case of Utena ITI, despite the centralised nature of Lithuania's territorial administration and the Ministry of Interior's lead role in managing the instrument, municipalities were still granted significant responsibilities in strategy-making and implementation. All six municipalities in Utena county were included, which was unusual compared to other regions in the country. This local empowerment was supported by existing planning regulations from the previous programming period. However, the Ministry of Interior had to guide the process, as municipalities lacked the capacity to independently develop a cohesive territorial strategy. Municipalities had to align their decisions with a range of national and EU-level documents, such as the Partnership Agreement, the Comprehensive Plan of Lithuania, the National Progress Programme, and the Utena County General Plan. Despite their active involvement and coordination with higher levels of government, horizontal collaboration between the municipalities was limited. Each municipality developed its own city strategy independently, without any functional or strategic links to neighbouring municipalities.

Community-led Local Development

A total of 39 Community-led Local Development (CLLD) strategies were implemented in Lithuania during the 2014-20 period. These strategies, developed and managed by Local Action Groups (LAGs), were exclusively funded by the European Social Fund (ESF). They focused on urban areas, typically targeting specific neighbourhoods or districts. The primary goal was to address Thematic Objective 8, which emphasises sustainable and quality employment and labour mobility. Although these strategies likely fostered collaborative processes and added value to local communities, similar to CLLD initiatives in other countries, there is limited evidence available on their specific impacts in Lithuania.

IN SUM

During the 2014-20 period, Lithuania allocated a significant portion of its Cohesion Policy resources to Territorial Delivery Mechanisms. Although data on non-SUD ITI strategies is somewhat inconsistent, certain trends are evident. These strategies notably empowered local authorities by involving them in the strategy-making process, enabling them to address specific local needs and deliver tangible, visible investments in urban areas. However, there was limited emphasis on enhancing functional integration due to the fragmented approach taken by municipalities, which lacked coordination and did not seek to address common goals collectively. On the positive side, vertical coordination improved through the ITIs, and by the end of the programming period, there was a noticeable increase in local community mobilisation through participatory measures.

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COUNTRY FICHE

LUXEMBOURG [LU]

Given the country's small territory and the very limited share of European Regional Development Fund (ERDF) resources invested in Territorial Delivery Mechanisms, it is not surprising that only one strategy was implemented in the country during the 2014-2020 period. The Sustainable Urban Development strategy, implemented through the Integrated Territorial Investment (SUD ITI) mechanism, was deployed in an old industrial area within Dudelange, a city in need of regeneration. Funding was used to support the shift towards a low-carbon economy as well as to boost research and innovation capacity.

POPULATION	STATE TYPE
0.59 million	Centralised

NATIONAL ESIF BUDGET

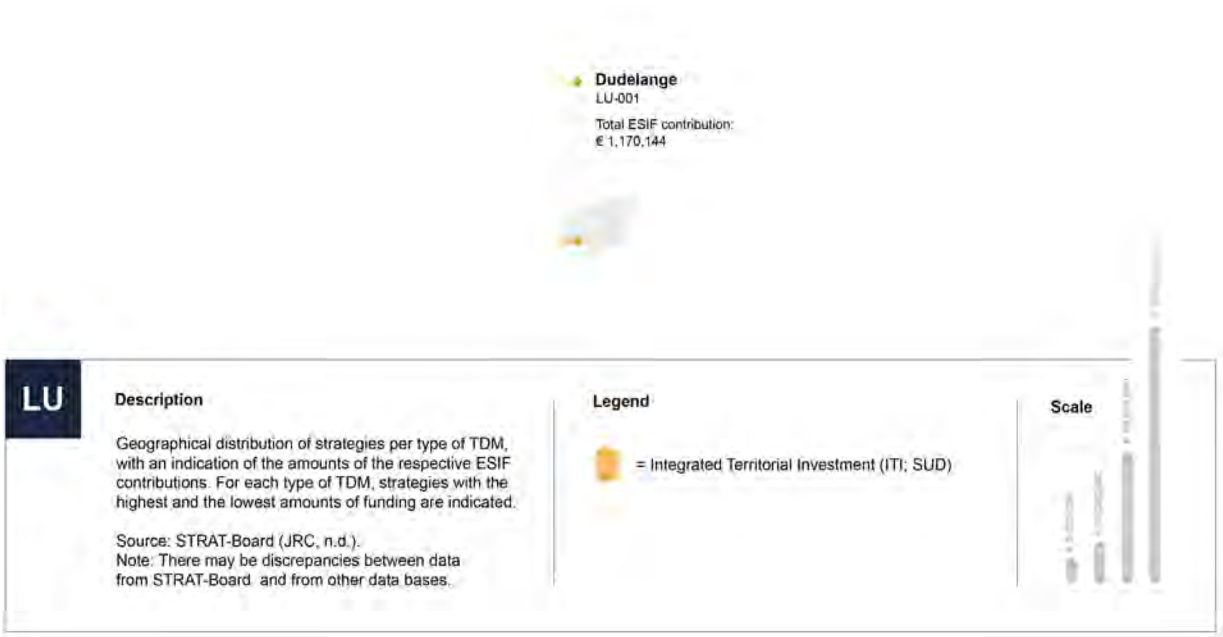
EU Contribution (EUR)	€ 525,713,553
National Contribution (EUR)	€ 209,069,021
Total Contribution (EUR)	€ 734,782,574

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	1	ERDF	0.22%	96%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**1**	**-**	**0.22%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Luxembourg operates a unitary state system, with governance structured across three districts: Luxembourg, Diekirch, and Grevenmacher, each led by a district commissioner. The central government, head-quartered in Luxembourg City, retains authority over critical national matters such as defence, foreign policy, and finance. In contrast, municipalities within the districts are tasked with local responsibilities, including education, healthcare, and infrastructure management. Local decision-making is primarily handled by municipal councils, although significant authority remains with the central government, ensuring uniform governance across the country while still accommodating local needs.

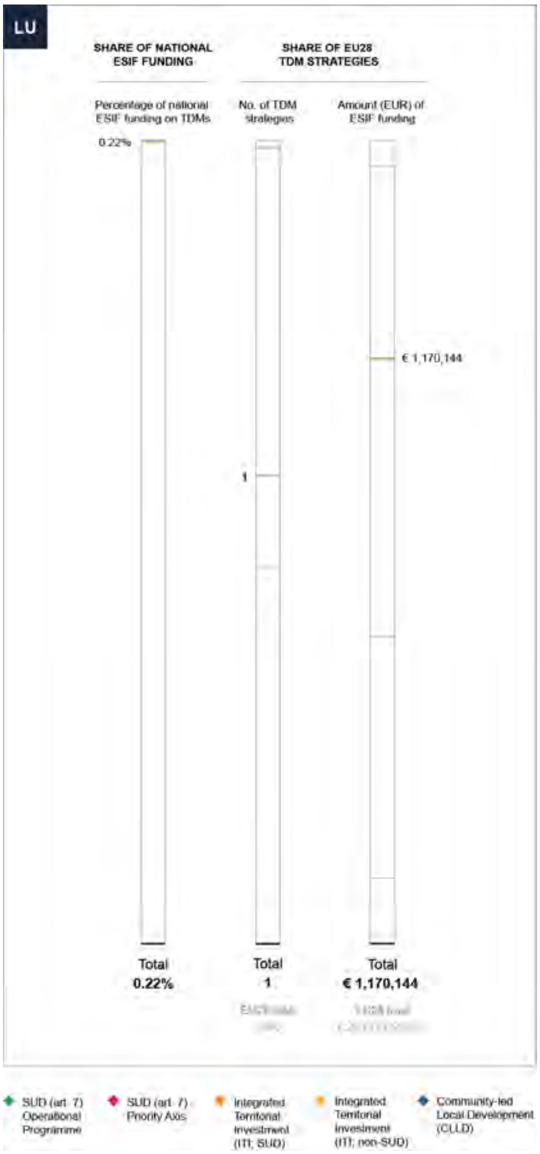
Although Luxembourg lacks a specific urban policy, the National Programme for Spatial Development (Programme Directeur d'Aménagement du Territoire - PDAT), adopted in 2003, serves as the main framework for spatial planning. The programme focuses on promoting sustainable spatial development, fostering partnerships between urban and rural areas, and encouraging a polycentric development model. A key priority in the spatial planning agenda is also enhancing inter-municipal cooperation.

COHESION POLICY CONTEXT

Luxembourg implemented two National Operational Programmes (NOPs), one powered by ERDF, and one by the European Social Fund (ESF). The Ministry for the Economy and External Commerce was responsible for the ERDF OP and the Ministry of Labour, Employment and the Social and Collaborative Economy was in charge of the ESF OP. There were no Intermediate Bodies in place. The ERDF programme, with a total EU contribution of €89 million, provided funding for the Luxembourg's SUD ITI strategy.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

For the 2014-2020 programming period, Luxembourg's government chose to implement only one SUD strategy. The strategy was carried out through the ITI mechanism.

Initially, three urban areas were considered for intervention through SUD strategies in the National Operational Programme (NOP) – Luxembourg City, Nordstad (Ettelbruck-Diekirch), and the southern industrial region. However, it was eventually decided to focus solely on Luxembourg's fourth-largest city, Dudelange, home to about 20,000 people. This decision was mainly due to the relatively limited resources available, making it more sensible to concentrate them within a single urban area rather than spread them too thinly across multiple cities. Dudelange was chosen because of its greater need for intervention – its lower-than-average income and higher unemployment rates highlighted the need for investment in urban transformation to address these challenges.

The strategy was funded exclusively with ERDF resources and tapped into two of the NOP's priorities, namely those focusing on the low-carbon economy and research and innovation. This is reflected in the Cohesion Policy Open Data Platform data, which indicates that the thematic focus of the spending was primarily on promoting a low-carbon economy, with some support for research and innovation activities. ERDF allocations amounted to €1.02 million for low-carbon economy projects and €201,924 for research and innovation initiatives.

The implementation plan was seamlessly integrated with ongoing urban regeneration and energy transition initiatives, particularly focusing on the renewal of Neischmelz, an ageing industrial brownfield site. The intended outcome was the creation of a dynamic regional hub, offering a mix of residential, employment, commercial, and recreational opportunities, while adhering to the principles of sustainable development.

By the end of 2022, 96% of the allocated ERDF funding had been utilised, indicating very strong financial performance, significantly outpacing the mainstream Cohesion Policy funding, of which only 53% was absorbed by the end of the same year.

IN SUM

During 2014-2020, only single SUD ITI strategy was used in Luxembourg, due to the country's relatively small size and limited allocation of ERDF resources for Territorial Delivery Mechanisms. The SUD ITI was used in a targeted manner to address the specific development needs of an urban area within the city of Dudelange, facing brownfield regeneration and socio-economic challenges. Cohesion Policy support to SUD strategy was only a tiny addition to what was already ongoing as part of domestic policies. This, combined with the fact that resources were limited and territorial focus restrained meant that there were hardly any room for generating impacts in terms of strengthening functional linkages and inter-municipal cooperation through the SUD ITI strategy.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

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COUNTRY FICHE

LATVIA [LV]

In 2014-20, Latvia opted for a single type of Territorial Delivery Mechanism. Consequently, nine Sustainable Urban Development strategies were implemented through Integrated Territorial Investment (ITI). Funded entirely by the European Regional Development Fund (ERDF), these strategies targeted major cities and also included efforts to enhance urban-rural linkages.

POPULATION	STATE TYPE
1.9 million	Centralised

NATIONAL ESIF BUDGET

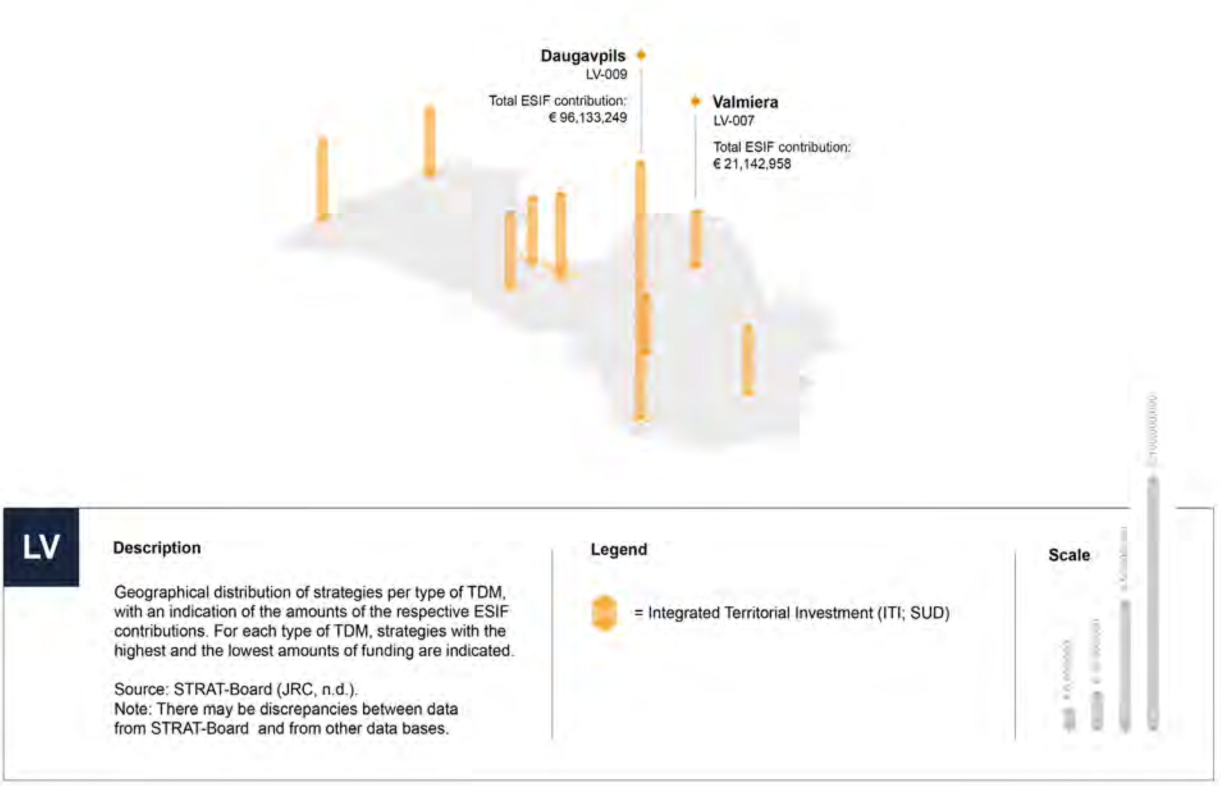
EU Contribution (EUR)	€ 6,226,688,538
National Contribution (EUR)	€ 1,386,041,195
Total Contribution (EUR)	€ 7,612,729,733

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	9	ERDF	8.7%	77%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**9**	**-**	**8.7%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. In particular, the STRAT-Board and Cohesion Policy Open Data Platform do not provide data on the Latvian CLLD strategies; however, these were also implemented. A total of 35 Local Action Groups for CLLD strategies were established (LDnet, 2021), funded through the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF). These strategies were not included in this research.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Latvia's system of territorial governance remains centralised, with a relatively weak regional tier. Following the 2009 administrative reform, the country was divided into 110 municipalities and 9 cities, with all 119 local governments having similar responsibilities, except for the capital, Riga, which holds additional functions (CoR, n.d.). Since a 2021 reform, Latvia now has five planning regions: Kurzeme, Latgale, Riga, Vidzeme, and Zemgale. These regions correspond to the municipal boundaries established by the municipal reform of 1 July 2009. However, these planning regions are not administrative units but inly serve the purpose of joint development planning.

The long-term territorial development plan is defined by the Sustainable Development Strategy of Latvia, approved by the Latvian Parliament in 2010. This strategy shaped the medium-term territorial development plans included in the Latvian National Development Plan, which was adopted by the cabinet of ministers in 2013.

Meanwhile, the Regional Policy Guidelines provide a medium-term policy framework. In 2013, these guidelines were updated to introduce a more modern approach to sustainable regional development. This revision promotes a stronger role for planning regions and municipalities, advocates for integrated and place-based planning, enhances coordination between regional and sectoral policies, and increases stakeholder participation.

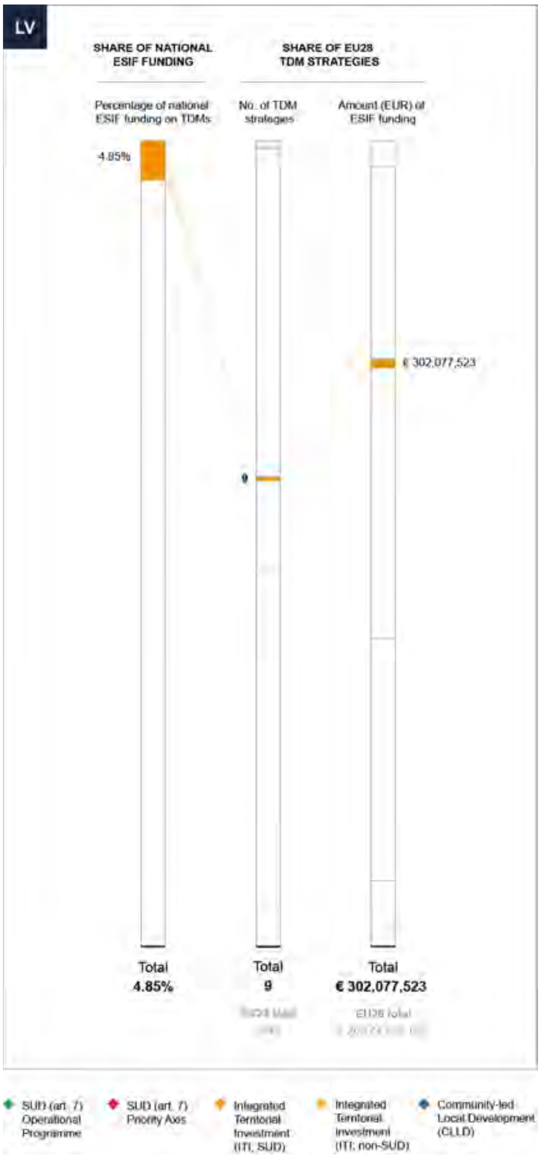
Latvia's regional policy also supports the network of development centres, which currently recognises nine cities as nationally significant development centres and 21 large towns as key regional centres. These centres collectively form the backbone of Latvia's polycentric development model.

COHESION POLICY CONTEXT

During the 2014-20 period, Latvia's Cohesion Policy was primarily implemented through its multi-fund Operational Programme (OP) "Growth and Employment." This OP combined funding from the European Regional Development Fund (ERDF), the Cohesion Fund (CF), the European Social Fund (ESF), and the Youth Employment Initiative (YEI). The Ministry of Finance acted as the central Managing Authority, overseeing the programme, which covered all 11 Thematic Objectives established by the European Commission. Various ministries and agencies operated as Intermediate Bodies for specific policy areas. For instance, the Ministry of Education and Science managed ESF operations related to education and skills, while the Ministry of Environmental Protection and Regional Development was responsible for ERDF and CF operations focused on environmental sustainability and regional development.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform. This study also does not cover the CLLD strategies that were in place in Latvia in 2014-20 (see LDnet, 2021).

Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 programming period, Sustainable Urban Development (SUD) strategies were rolled out in nine Latvian cities: Daugavpils, Jekabpils, Jelgava, Jurmala, Liepaja, Rezekne, Riga, Valmiera, and Ventspils. These strategies aimed to foster integrated urban development by investing in infrastructure to address issues in the urban economy, environment, education, and social sectors, while also enhancing functional connections between urban and rural areas. The strategies were implemented through the Integrated Territorial Investment (ITI) mechanism, with all funding provided by the European Regional Development Fund (ERDF). Delegation agreements were established between the central government and city authorities, and the Regional Development Coordination Council (RDCC) served as an advisory body, overseeing the progress of the strategies.

Thematically, the strategies focused on five key objectives, with Riga addressing four. The largest portion of ERDF and Cohesion Fund (CF) resources was allocated to environmental protection (€104 million). Education and training received a significant share (€92 million), followed by investments in the low-carbon economy (€43 million). Smaller amounts were directed towards enhancing the competitiveness of small and medium-sized enterprises (€16 million) and promoting social inclusion (€17 million). By the end of 2022, 77% of the allocated ERDF and CF funds had been utilised, surpassing the 70% absorption rate for mainstream Cohesion Policy funds during the same period.

IN SUM

During the 2014-20 period, Latvia dedicated a substantial portion of its ERDF resources to Territorial Delivery Mechanisms, using SUD ITI as the sole instrument. The funding targeted the country's major cities, focusing on addressing local economic, environmental, and social challenges, with solid performance in terms of financial implementation. However, further research is needed to evaluate how effectively the ITIs met territorial needs and what added value they delivered. Moreover, while the SUD ITIs included measures to strengthen urban-rural linkages, there is limited empirical evidence on the effectiveness and impact of these interventions.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

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COUNTRY FICHE

MALTA [MT]

In 2014-20, only one Territorial Delivery Mechanism strategy was implemented in Malta, given the country's small territory. A single Sustainable Urban Development strategy implemented through an Operational Programme's Priority Axis (SUD PrAx) was deployed within the capital city of Valletta.

POPULATION	STATE TYPE
0.46 million	Centralised

NATIONAL ESIF BUDGET

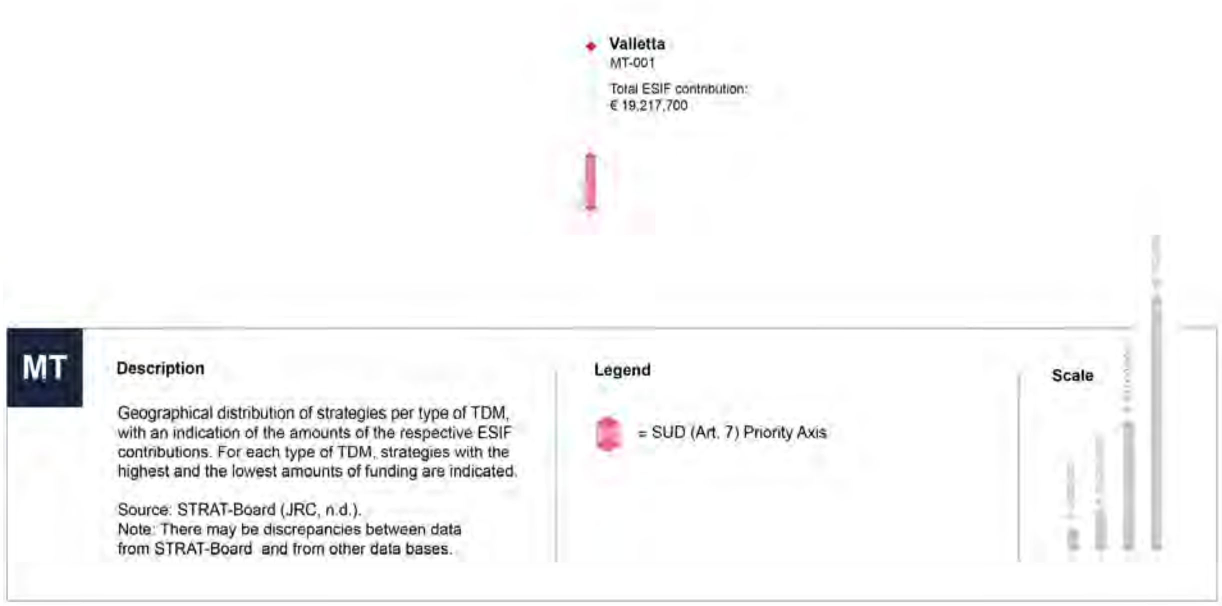
EU Contribution (EUR)	€ 1,002,239,416
National Contribution (EUR)	€ 204,453,515
Total Contribution (EUR)	€ 1,206,692,931

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	1	ERDF	4.9%	72%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**1**	**-**	**4.9%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. ERDF/CF funding was invested in non-SUD ITI and SUD ITI strategies in Malta, as indicated in the Open Data Platform. These were not included in this research, which focused only on the SUD PrAx strategy in Valetta.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

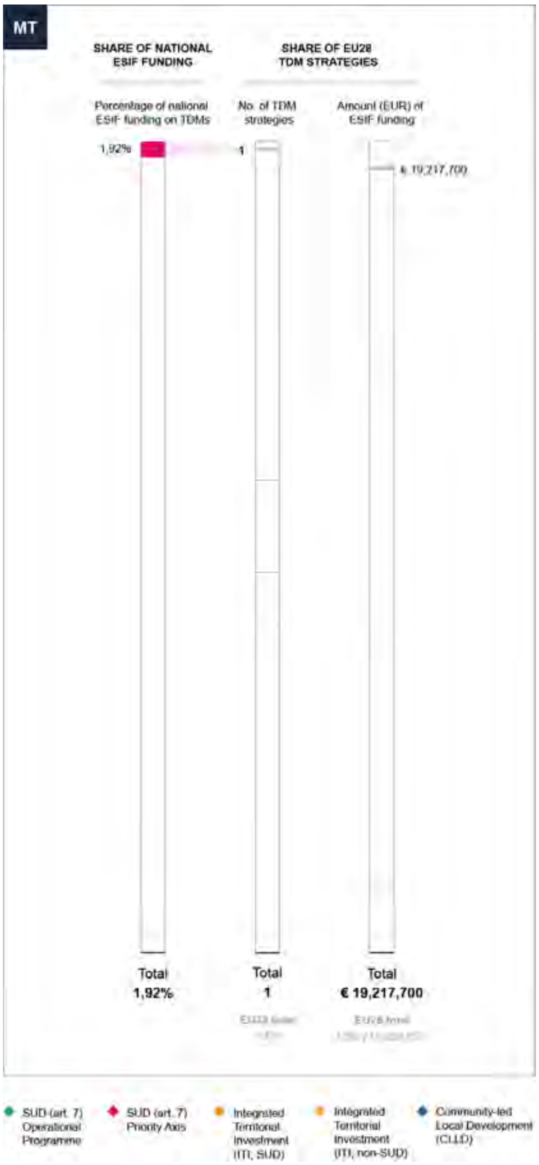
Malta's territorial administration system is highly centralised, given the country's small size and population. The government operates at two primary levels: the national government and local councils. There is no intermediate level of government. The central government in Malta holds the majority of administrative and legislative powers, overseeing areas such as health, education, and infrastructure. At the local level, there are 68 councils, including 54 on the main island of Malta and 14 on the island of Gozo. The councils are responsible for local public services such as waste management, urban planning, the maintenance of public spaces, and local cultural activities, but the national government retains a significant degree of control over most public policies, including the country's territorial development. Since 2015, guidance on spatial development has been provided by the Strategic Plan for the Environment and Development (SPED). The document lays the basis for an integrated planning system, including governance and implementation arrangements, with measures specifically focusing on urban areas. Urban policy in Malta is mainly the responsibility of the Planning Authority, the national planning entity operating as part of the Ministry for Gozo and Planning.

COHESION POLICY CONTEXT

There were two main Cohesion Policy Operational Programmes (OP) implemented in Malta, both managed by the Planning and Priorities Coordination Division of the Ministry for European Affairs. First, the Fostering a Competitive and Sustainable Economy to Meet our Challenges OP combined funding from the ERDF and Cohesion Fund (CF). It aimed to promote economic growth in Malta and pursue the Europe 2020 targets for smart, sustainable, and inclusive growth. More specifically, the thematic scope of the programme was broad. It included themes ranging from strengthening research, technological development and innovation, promoting the use of Information and Communication Technology (ICT), competitiveness of Small and Medium Enterprises (SMEs), the shift towards a low-carbon economy, environmental protection and resource efficiency, sustainable transport, to social inclusion and investment in education and vocational training. The identification of Valletta as the supported area for the

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

Malta was the only Member State where the sustainable urban development strategy was designed by the national government, rather than by the city in question. The single SUD PrAx strategy was deployed in Valletta and was solely supported by the ERDF. The Ministry for European Affairs and Equality (MEAE), assisted by a Coordination Committee for Sustainable Urban Development (COCOSUD), acted as the Managing Authority (MA) and was responsible for the selection of operations as part of the strategy. COCOSUD was chaired by the MEAE and comprised high-level representatives from key entities such as the Valletta Local Council, ministries, the Planning Authority, and the Managing Authority for the ERDF.

The development of the SUD PrAx strategy involved conducting a needs assessment through consultations with various stakeholders. The strategy supported a community-led regeneration approach for the capital city, providing affordable housing and improving public spaces to make them more accessible. The territorial focus of the strategy was limited – it included the urban regeneration priority area of the Grand Harbour. According to the Cohesion Policy Open Data Platform, the thematic focus of the strategy was limited to supporting SMEs. By the end of 2022, 72% of the allocated ERDF funding had been used, slightly under-performing when compared to mainstream Cohesion Policy funding (76% absorbed by the same time).

The key role of COCOSUD in the formulation and implementation of Valletta's SUD strategy.

The formation of COCOSUD, along with the significant amount of preliminary work conducted prior to the launch of the call, facilitated the process of strategy design and allowed the interventions to align well with the social, economic, and environmental needs of the Grand Harbour area of Valletta. Having a lead coordinator to steer a number of initiatives within the same area helped to accelerate the submission of funding applications and improved the efficiency of implementation. COCOSUD served as a direct contact point between the beneficiaries and the Managing Authority.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

IN SUM

During 2014-20, Malta's experience with Territorial Delivery Mechanisms was limited to a single strategy implemented in part of the capital city. There is limited data on the strategy's impacts and added value. The strategy focused on a relatively small area within the city, which meant it did not create opportunities for strengthening functional linkages. Nevertheless, the strategy's formulation mobilised stakeholder input to address local needs and led to the creation of a new coordination body, acting as an intermediary between funding beneficiaries and the Managing Authority.

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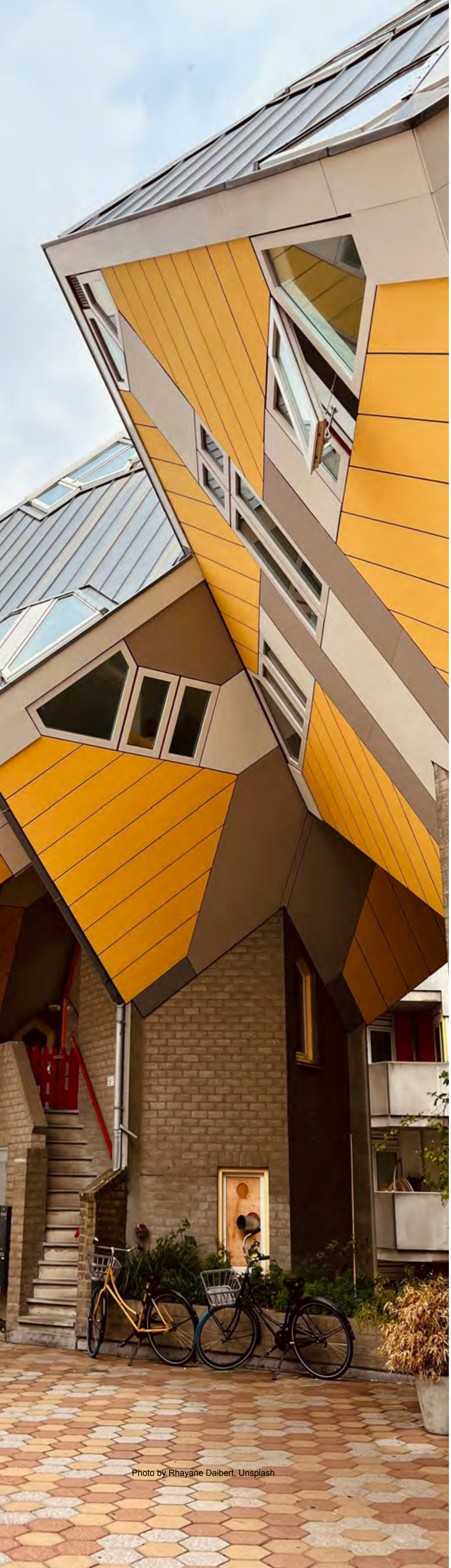
Stephanie Vella (E-Cubed Consultants Ltd)



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COUNTRY FICHE

THE NETHERLANDS [NL]

In the Netherlands, only five Territorial Delivery Mechanism strategies were implemented during the 2014-20 period, focusing on the largest Dutch cities. Sustainable Urban Development (SUD) strategies, delivered through the Integrated Territorial Investment (ITI) instrument and combining European Regional Development Fund (ERDF) and European Social Fund (ESF) funding streams, were rolled out in Amsterdam, Utrecht, Rotterdam, and The Hague. In the latter, the SUD ITI strategy was complemented by an urban Community-led Local Development (CLLD) initiative, financed through ERDF, and piloted in the Scheveningen district with plans for citywide expansion. Although integrated approaches, community engagement, and alignment with urban strategies were already well-established in the Dutch context, the Territorial Delivery Mechanisms added value by creating new areas of intervention within neighbourhoods, engaging new stakeholders, and empowering local communities, particularly through the CLLD strategy.

POPULATION	STATE TYPE
17.08 million	Decentralised

NATIONAL ESIF BUDGET

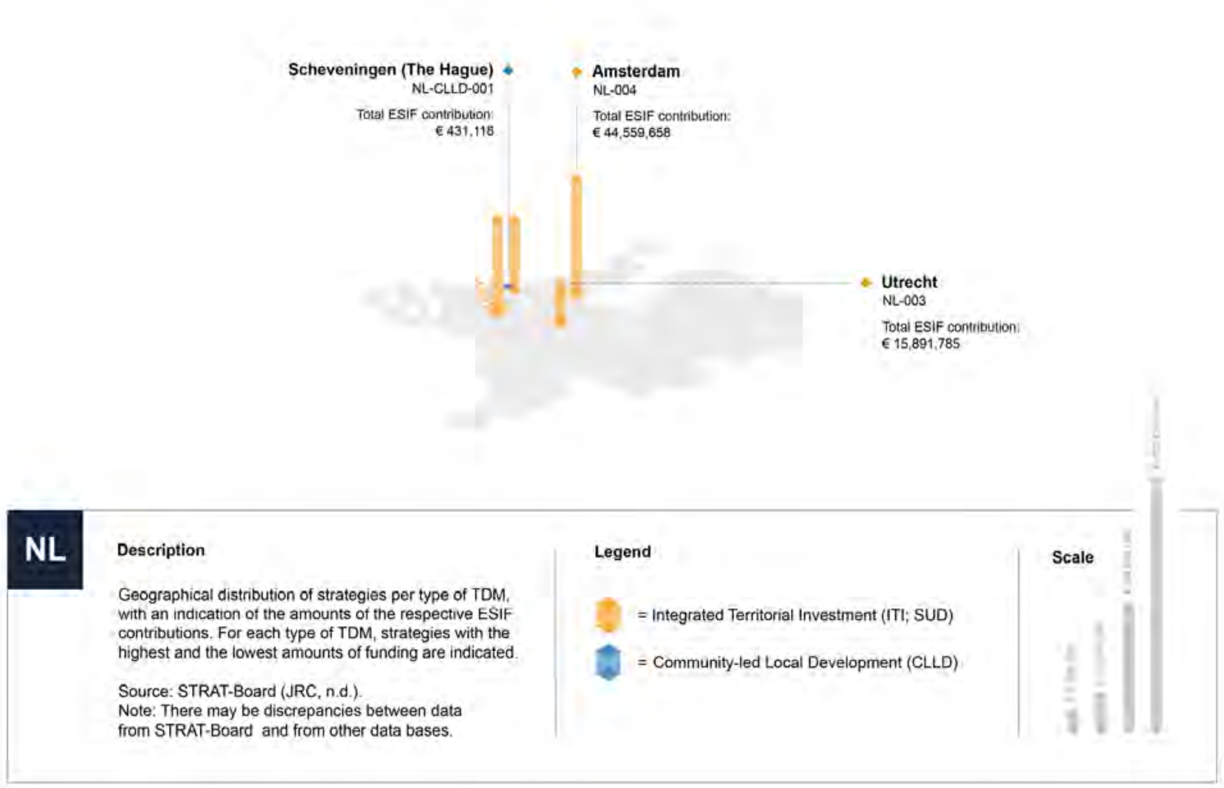
EU Contribution (EUR)	€ 2,851,824,227
National Contribution (EUR)	€ 2,118,583,676
Total Contribution (EUR)	€ 4,970,407,903

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commssion, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	4	ERDF, ESF	7.1%	82%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	1	ERDF	No data	No data
TOTAL	**5**	**-**	**7.1%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.). Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform. No data was available on the share of the ERDF allocation or the financial implementation of the CLLD strategy in The Hague. As a result, the total share of the ERDF allocation for the implemented strategies excludes the CLLD strategy.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

The Netherlands' territorial governance is decentralised, comprising 12 provinces (provincies), each with its own government and provincial council. The country is also divided into municipalities (gemeenten), which handle local administration. The central government, based in The Hague, oversees national affairs such as defence, foreign policy, and finance. Provinces have responsibilities in areas like spatial planning, infrastructure, and regional economic development. Municipalities manage services like education, healthcare, and public transportation. This decentralized system aims to balance national cohesion with regional autonomy, allowing tailored governance to local needs while maintaining a cohesive national framework.

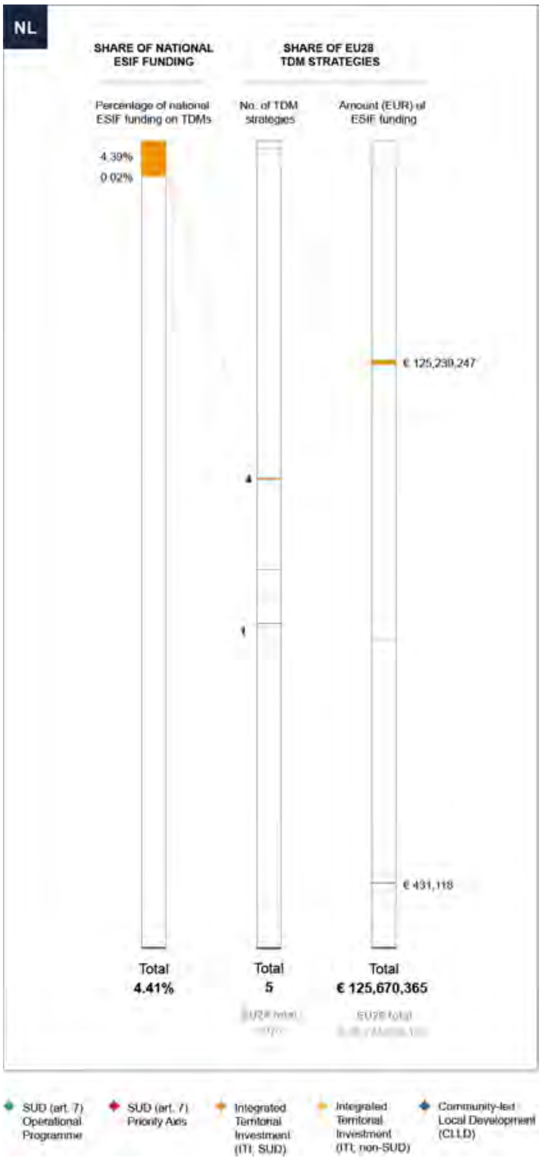
The Netherlands does not have a national urban policy, but has developed the Dutch Urban Agenda (Agenda Stad). The Urban Agenda is being developed through the co-operation of the national government, municipal governments and other stakeholders. The instrument used for the Dutch Urban Agenda is the City Deal, which cities and public and/or private stakeholders would design, and which are concluded in partnership with the national government.

COHESION POLICY CONTEXT

Cohesion Policy governance consists of regionalised architecture in the case of ERDF (with four regional programmes) and a national programme in the case of ESF. The management of ERDF is in hands of regional authorities, formed by programme bureaus with representatives from each of the provinces that fall under the regional programmes. Since the 2007-2013 programme, eight territorial partners participate in the management of the West Netherlands OP, one of the four ERDF-programmes. It is composed by the four large cities, together with four provincial authorities. During the 2014-20 programme, the part of this regional programme that focused on these cities (Stedelijk Luik) was delivered through an ITI structure, through which the promotion of social inclusion and sustainable and quality employment opportunities were added as programme priorities. The MA and the four cities decided to allocate the ITI-funds to less developed parts of the cities; in the case of Rotterdam seven neighbourhoods that fall within the borders of the national NPRZ framework programme, through which long-term funding of projects in the areas of education, employment and quality of life is coordinated.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

In the 2014-20 period, sustainable urban development (SUD) was delivered through Integrated Territorial Investments (ITIs) in the four largest cities of West Netherlands: Amsterdam (approx. 900,000 inhabitants), Rotterdam (approx. 650,000), The Hague (approx. 550,000), and Utrecht (approx. 375,000). These strategies were supported by the West Netherlands Operational Programme (OP), with Rotterdam acting as the Managing Authority. The governments of the four cities served as Intermediate Bodies for their respective SUD ITI strategies, with Rotterdam managing both the OP and its own ITI.

Each strategy targeted socio-economically vulnerable neighbourhoods, aiming to create new job opportunities and support the transition to a more innovative, low-carbon economy. A key focus was also on talent development, ensuring that school curricula were adapted to meet changing market demands and equip young people with the skills needed for emerging job opportunities.

The largest portion of ERDF funding was allocated to social inclusion (€20 million), followed by the promotion of a low-carbon economy (€17.9 million), post-COVID recovery (€15.4 million), and the support of high-quality jobs (€15.1 million). The smallest amount was allocated to research, development, and innovation (€7.6 million).

While the implementation of SUD ITIs in 2014-20 had a slow start, it was ultimately considered successful, with financial performance exceeding that of mainstream Cohesion Policy funding. By the end of 2022, 82% of the allocated ERDF funds had been spent, surpassing the 72% absorption rate of mainstream Cohesion Policy funding during the same period.

The SUD ITI strategies were closely aligned with existing domestic policies. For instance, the Rotterdam SUD ITI was integrated into the National Programme for South Rotterdam (Nationaal Programma Rotterdam Zuid - NPRZ), which aimed to address labour market challenges in this deprived urban area. The South Rotterdam strategy was particularly notable for its clear rationale in using the SUD ITI instrument, as it helped integrate investment in social and economic development in specific parts of the city. This served as a 'bridge' between the education and business sectors, particularly in areas like healthcare, the port industry, and technology, and aligned priorities from both the ERDF and ESF OPs.

In Rotterdam, the introduction of new stakeholders and thematic interests required the ERDF Managing Authority to develop new methods of collaboration with local partners, including vocational education institutions, on themes such as the low-carbon economy, energy efficiency, and local entrepreneurship. A SUD ITI Steering Group was established for project selection and monitoring, composed of district authorities and officials responsible for education and business support. While the Steering Group was seen as an important governance structure, the limited involvement of community and neighbourhood actors was perceived as a weakness, given the strategy's territorial and thematic focus.

In addition, the Dutch SUD ITI strategies built upon pre-existing platforms for inter-municipal coordination, but also a new exchange network was also established for the four cities involved, providing opportunities to share knowledge and best practices.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Despite this, challenges were encountered, such as the need to align SUD ITI strategic objectives with programme-level priorities. This was evident in Rotterdam, where the focus on integrating support for education and business in deprived districts aligned with the national ESF OP and the regional ERDF OP priorities.

Further challenges included the difficulty of increasing the visibility of Cohesion Policy through SUD ITIs, a concern shared by programme authorities, Intermediate Bodies, and beneficiaries. Additionally, as seen in other European cases, combining ERDF and ESF funds at the project level proved difficult due to differing management and implementation structures. Consequently, ESF operations remained complementary to ERDF rather than being fully integrated. Nonetheless, in Rotterdam, the thematic focus of the SUD strategy improved collaboration in the social and educational domains, providing employers, companies, and educational institutions in the ITI areas with the opportunity to work more closely together.

Adding Value through new collaborations as part of the SUD ITI in Rotterdam South

In Rotterdam, stakeholders viewed the overall impact of the SUD ITI strategy on the territory as relatively limited, given its small budget and its complementary role to the much larger National Programme for Rotterdam South (NPRZ). However, the strategy added value by encouraging greater involvement of municipal experts in the programme's management structures. Local experts in social, labour market, and innovation sectors participated in advisory groups, while the strategy's use of both ESF and ERDF funding streams helped mobilise new stakeholders keen to get access to new funding opportunities. Social enterprises and educational institutions joined the urban advisory group, improving collaboration between the education and business sectors in the district. From the beneficiaries' perspective, the local relevance of the 2014-20 projects was evident: many young job seekers in low-paid jobs or on benefits were connected to labour markets through roles in low-carbon innovation and the installation of energy efficiency measures. Moreover, some stakeholder groups that were new to the 2014-20 programme have proven to be valuable partners in other collaborations and are potential beneficiaries in the 2021-2027 programme.

Community-led Local Development

The CLLD strategy in The Hague's Scheveningen district complemented the city's SUD strategy and served as a pilot for this Territorial Delivery Mechanism. The Local Action Group (LAG), Stichting Initiatief Op Scheveningen (SioS), was formed to manage the strategy, which used ERDF resources to fund projects from 2016 to 2019. The main goal was to strengthen the local economy in an innovative and sustainable way, with a focus on improving employment opportunities in the area.

The initiative's local grounding was particularly well received during both the development and implementation phases. The community's involvement in shaping the strategy ensured it addressed locally important objectives, fostering a strong sense of local ownership. This approach facilitated new collaborations between neighbourhood organisations, including sports, cultural groups, resident associations, and businesses, helping to build trust and promote projects that improved the district's liveability. Residents were effectively mobilised by the LAG, leading to the identification of shared interests and the implementation of projects chosen through a voting process. Based on these positive outcomes, The Hague is considering establishing LAGs in other neighbourhoods for the 2021-2027 period, focusing on energy transition.

However, some challenges were encountered. The financial accountability system was problematic, with excessive administrative demands overwhelming volunteers and project owners. Reports often failed to meet required standards, necessitating additional government support. Delays in fund disbursement also caused frustration, despite efforts to speed up payments. Furthermore, there was limited cooperation between the LAG and government bodies, resulting in confusion over roles and responsibilities. Connections between the CLLD, municipal authorities, and European bodies were weak, with no new administrative collaborations or alignment with other urban priorities in Scheveningen. Coordination between projects was minimal, and communication with citizens, particularly around the voting process, was insufficient.

IN SUM

In the 2014-20 period, although Territorial Delivery Mechanisms were only deployed in the four largest Dutch cities, focusing primarily on areas with socio-economic challenges, these strategies effectively addressed local needs through close alignment with pre-existing strategies and the involvement of relevant stakeholders. The CLLD in Scheveningen was particularly notable for introducing a new mechanism for direct citizen engagement in strategy formulation and decision-making. While functional integration was minimal due to the strategies' narrow territorial focus, the SUD ITIs promoted an integrated thematic approach, as seen in the case of Rotterdam. The Dutch Territorial Delivery Mechanisms strategies were implemented in a context where integrated territorial approaches to local and regional development, as well as cross-level and cross-sectoral coordination, were already well-established. However, the SUD ITIs strengthened connections between sectors, while the CLLD strategy in The Hague boosted local resident engagement.

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COUNTRY FICHE

POLAND [PL]

In 2014-20, Poland implemented 24 Sustainable Urban Development strategies through Integrated Territorial Investment (SUD ITI), primarily centred around regional capitals. Additionally, six non-SUD ITI strategies were introduced in the Warmian-Masurian and Lublin voivodeships, focusing on medium-sized and small towns. These strategies addressed various Thematic Objectives (TOs), with particular emphasis on energy efficiency and sustainable urban mobility. Funding mainly came from the European Regional Development Fund (ERDF) and the European Social Fund (ESF), with some support from the Cohesion Fund (CF). Most ERDF and ESF funding for these strategies was channelled through Regional Operational Programmes (ROPs), while the CF contributed via national OPs.
Furthermore, 39 Community-led Local Development (CLLD) strategies were approved and funded, primarily targeting rural areas. These strategies focused on social inclusion, healthy ageing, job creation, entrepreneurship, culture, heritage, and sustainable tourism. Urban CLLD strategies prioritised social inclusion, youth, and healthy ageing.

POPULATION	STATE TYPE
37.97 million	Decentralised

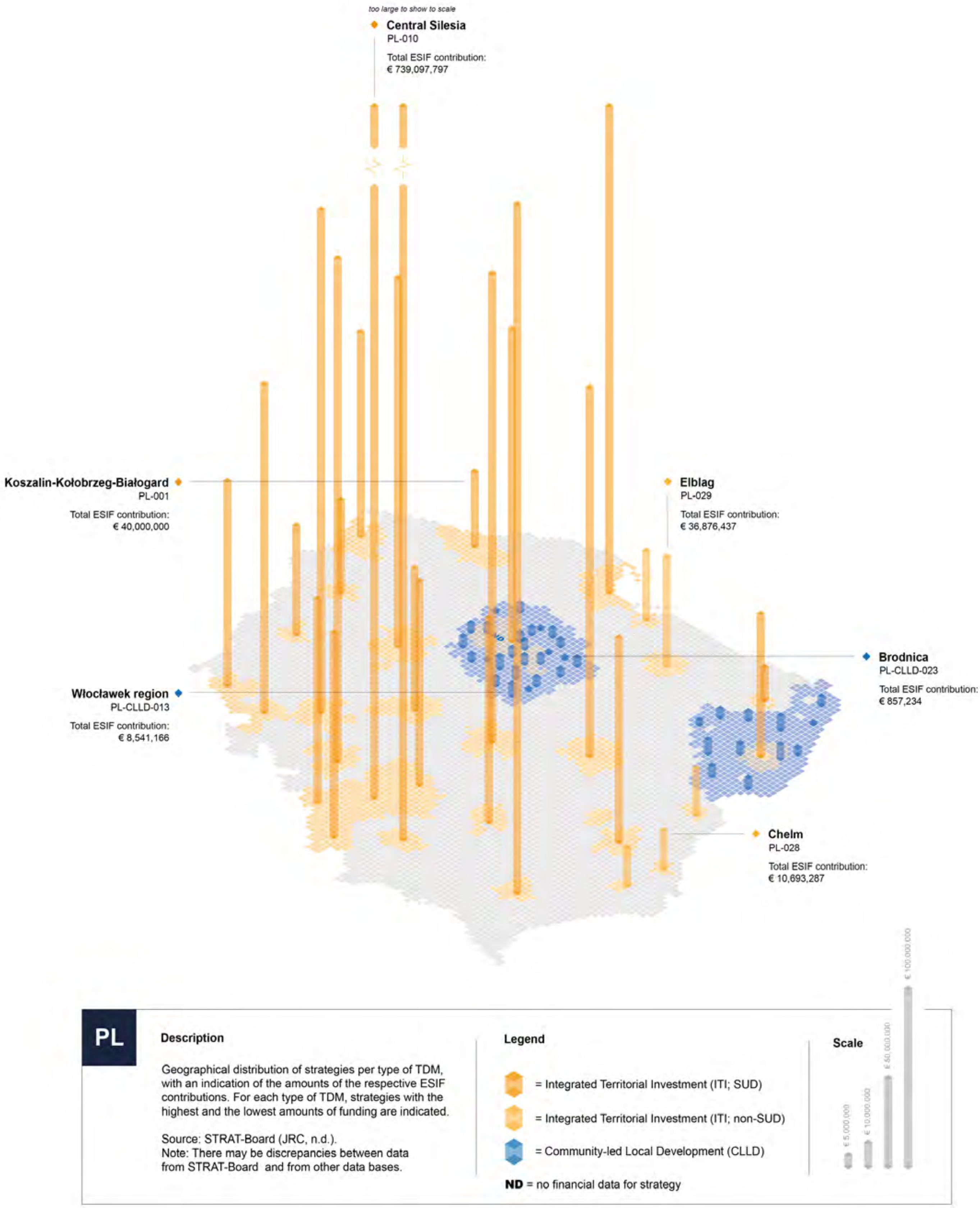
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 91,273,314,936
National Contribution (EUR)	€ 20,164,659,184
Total Contribution (EUR)	€ 91,273,314,936

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	24	ERDF, ESF, CF	9.1%	82%
Integrated Territorial Investment (ITI; non-SUD)	6	ERDF, ESF	ND	ND
Community-led Local Development (CLLD)	39	ERDF, ESF EAFRD, EMFF	0.1%	81%
TOTAL	**69**	**-**	**9.2%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Poland's territorial governance is based on a unitary, decentralised system, with a three-tier self-government structure at sub-national levels. The country is divided into 16 voivodeships (województwa), each with its own government and assembly, responsible for regional development, infrastructure, and cultural affairs. Below the voivodeships are powiats (counties) and gminas (municipalities), both of which manage local administration and have elected authorities. There is a degree of regional autonomy, and regional boundaries correspond to the EU NUTS2 level. Additionally, there is partial decentralisation of the management of Cohesion Policy to the regional tier, alongside the delegation of regional development competences to voivodeships, making them relatively resourceful.

Spatial planning in Poland is organised at the national, regional, and local levels. At the national level, spatial policy is guided by the National Spatial Development Concept (Koncepcja Przestrzennego Zagospodarowania Kraju 2030), which sets long-term priorities for sustainable territorial development, integrating economic growth with environmental protection. Regional spatial planning is conducted by voivodeships, which develop regional spatial development plans to ensure coordinated development across counties and municipalities. Local spatial planning is the responsibility of the local governments, which prepare local plans to regulate land use, urban growth, and zoning.

The National Urban Policy (Krajowa Polityka Miejska 2030) outlines key objectives for urban development in Poland, such as supporting the competitiveness of cities, reducing social and spatial inequalities, promoting low-carbon development, and improving Poland's urban system, reflecting EU and international strategic documents concerning urban policy (e.g. Leipzig Charter, Urban Agenda for the EU, UN New Urban Agenda). The policy also provides for the continued implementation of Integrated Territorial Investments (ITI) as a means to promote inter-municipal cooperation on integrated approaches to sustainable urban development.

COHESION POLICY CONTEXT

Poland is one of the largest beneficiaries of Cohesion Policy, having received the highest allocation of European Structural and Investment Funds (ESIF) among EU Member States during the 2014-20 period. Six national operational programmes, managed by the Ministry of Investment and Economic Development, were implemented during this time. One of these programmes was dedicated to the macro-region of Eastern Poland, covering five less-developed regions. Other national Operational Programmes (OPs) focused on digitalisation, infrastructure and development, smart growth, and technical assistance for the implementation of Cohesion Policy. Additionally, as in the 2007-2013 period, each voivodeship had its own programme, managed by Marshal Offices (regional self-government authorities responsible for administering and coordinating regional policies, economic development, and public services). Regional authorities managed around 40% of EU Cohesion Policy funds in Poland during this period. For both national and regional programmes, Intermediate Bodies were designated for selected priority axes or measures.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Sustainable Urban Development Integrated Territorial Investment

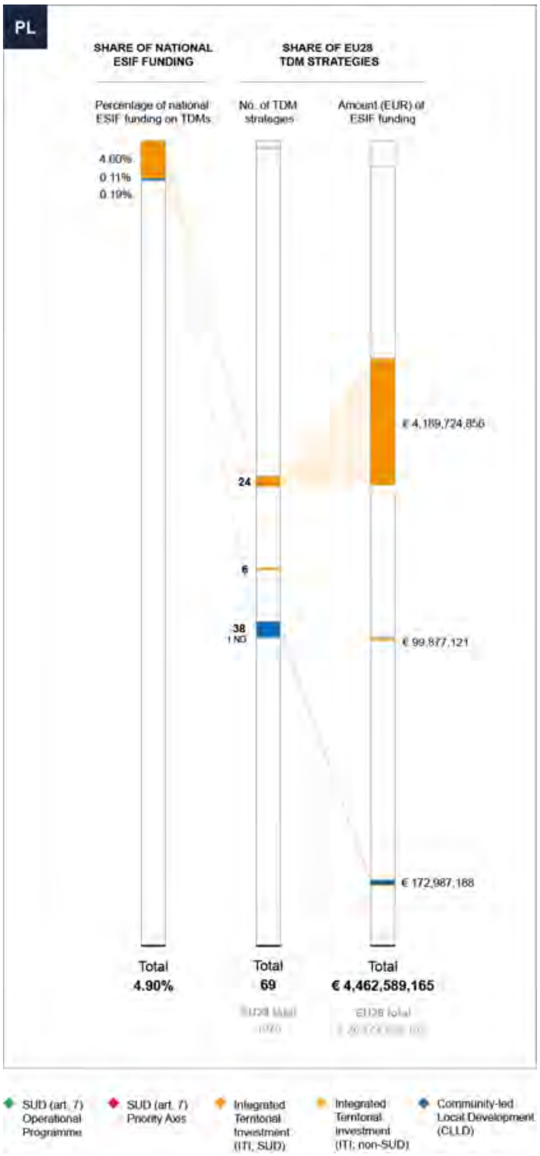
During the 2014-20 programming period, 30 Sustainable Urban Development (SUD) strategies were implemented in Poland through the Integrated Territorial Investment (ITI) instrument. These strategies combined funding from the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion Fund (CF). Most strategies focused on regional capitals; however, in the northern Warmian-Masurian and eastern Lubelskie regions, SUD ITI strategies were also implemented in smaller towns. The strategies had dedicated funding allocations within the Regional Operational Programmes (ROPs) and included complementary projects within national Operational Programmes (OPs). Overall, Poland allocated a substantial share of its national ERDF and CF funding to these strategies (9.1%). Sixteen strategies had budgets exceeding €100 million, while eight others ranged between €25 million and €100 million—representing a significant investment.

The objectives of the ITI strategies were closely aligned with EU, national, regional, and local strategic frameworks. These projects aimed to counter suburbanisation and improve spatial planning, focusing on achieving synergy and sustainable impacts. One of the key added values of this instrument in Poland was its role in stimulating an inclusive stakeholder consultation process, helping design comprehensive ITI strategies that had broad support and local ownership. Furthermore, the SUD ITI strategies strengthened cooperation between municipalities, enhancing regional cohesion and collective problem-solving within functional areas. Projects often focused on metropolitan railway stations and the development of integrated transport systems, contributing to regional development and connectivity. A notable feature of SUD ITI implementation in Poland was the establishment of the ITI Office, which helped develop local administrative capacities and expertise in managing EU funds.

The strategies performed well in terms of financial implementation, with 82% of ERDF and CF funding spent by the end of 2022, surpassing the absorption rate of mainstream Cohesion Policy funds during the same period (73%).

However, challenges arose, particularly regarding the limited coordination between ERDF and ESF projects. The separate procedures for each funding stream and the lack of integration between the funds hindered smoother implementation. In the initial phases, many ITI strategies also lacked sufficient involvement from stakeholders outside the public administration sector, limiting broader community engagement.

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



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Community-led Local Development

A much smaller share of the ERDF and CF resources was channelled through CLLD strategies. These were implemented only in two Polish regions: Kujawsko-Pomorskie and Podlaskie. The implementation of CLLD was marked by a significant delegation of decision-making responsibilities to Local Action Groups (LAGs). These groups were established beforehand for the purpose of the LEADER programme, which proved a major asset for the development and implementation of CLLD strategies.

The LAGs empowered local communities to develop and implement strategies tailored to their specific needs. Building on the LEADER experience, CLLD strategies were often drafted entirely by the LAG itself and used a wide range of participatory tools to engage local stakeholders and communities. Extensive community consultations were instrumental in shaping these strategies. Public meetings, surveys, and focus groups ensured that local development plans were grounded in the real needs of communities. Coordination by the Marshal's Office aligned local strategies with regional and national policies, ensuring consistency across governance levels. LAGs played a crucial role in supporting beneficiaries, offering training and assistance with project applications and implementation to ensure effective delivery.

Broad community involvement, achieved through various consultation methods, resulted in well-grounded and widely supported local development strategies. Initiatives such as business incubators and support for small and medium-sized enterprises (SMEs) were key in fostering local economic development and job creation. The focus on supporting vulnerable groups and developing social enterprises ensured that the benefits of local development were inclusive, reaching those most in need. The Polish CLLD LAGs were also able to draw on LEADER networking (both national and EU-level) as well as on the national-level sub-committee on CLLD involving representatives of rural development and Cohesion Policy stakeholders.

A key strength of the CLLD approach was the integration of multiple EU funding sources, including ERDF, ESF, the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF), which provided comprehensive support for a wide range of projects, from social inclusion initiatives to infrastructure development.

However, the implementation of CLLD in Poland also faced some challenges. Bureaucratic processes were often burdensome for beneficiaries, highlighting the need for simplified administrative procedures. Moreover, limited financial resources for certain projects, particularly those led by associations, underscored the need for increased and better-targeted funding in future programming periods. Finally, a limitation was a strong alignment with administrative boundaries and higher-level interference in the process of municipal LAG membership, which somewhat constrained the functional logic of the strategies and their bottom-up character.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Boosting accessibility and cross-municipal cooperation in the Wałbrzych Agglomeration

The implementation of the SUD ITI in Wałbrzych Agglomeration involved comprehensive infrastructural projects, such as the reconstruction of degraded railway lines and regional roads. The ITI Office in Wałbrzych has undertaken extensive responsibilities, including strategic and formal project assessments, calls for proposals, and project selection. The initiative accelerated economic development in a region facing socio-economic challenges. It also enhanced the prestige and operational capacity of Wałbrzych, addressing critical infrastructure needs and promoting regional integration. The value of delegating extensive competencies to the local ITI office was emphasised, as was the role of such projects in revitalising economically lagging areas in the agglomeration. This approach ensured that local needs and priorities were effectively addressed within the broader regional framework.

IN SUM

During the 2014-20 programming period, 9.2% of ERDF and CF resources were used for Territorial Delivery Mechanisms in Poland. Thanks to SUD ITI strategies, cooperation between urban authorities and regional managing authorities for ROPs was strengthened, while creating space for local priorities to be considered. Importantly, investments supported as part of SUD ITI strategies helped strengthen cooperation and integrated interventions and contributed to improved cross-level and inter-municipal cooperation, often kick-starting collaboration within Functional Urban Areas (FUAs). The ITI framework allowed for a dynamic approach to regional development, adapting to the specific needs of functional urban areas. Moreover, municipalities and associations of municipalities were given a more prominent role in the implementation of Cohesion Policy, and local stakeholders were also mobilised for the purpose of drafting strategies, albeit mainly from the public sector. CLLD strategies, while having much fewer resources, also produced substantial added value by engaging local stakeholders in strategy drafting. Both types of strategies, SUD ITI and CLLD, outperformed mainstream Cohesion Policy measures in financial implementation. One of the main caveats, though, was that in practice integration between different funding streams was limited due to differences in implementation systems. Additionally, capacity issues were encountered, especially among smaller municipalities. For CLLD, in particular, the limitations were relatively small funding and limited coverage of the national territory.

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COUNTRY FICHE

PORTUGAL [PT]

The Portuguese government decided to invest a substantial share of its European Regional Development Fund (ERDF) and Cohesion Fund resources in Territorial Delivery Mechanisms during the 2014-20 period. Three types of these instruments were implemented, covering almost the entire territory of the country. A total of 105 Sustainable Urban Development strategies, implemented through the Priority Axes of an Operational Programme (SUD PrAx), were carried out in urban areas, funded by the ERDF. Additionally, 22 Integrated Territorial Investment strategies (Non-SUD ITI) focused on other urban and non-urban areas, integrating three funding streams: ERDF, European Social Fund (ESF), and European Agricultural Fund for Rural Development (EAFRD), with considerably larger budgets than the SUD PrAx strategies. Finally, no fewer than 209 Community-led Local Development (CLLD) initiatives implemented in both rural and urban settings completed this approach, with smaller-scale strategies combining the same three sources of funding.

POPULATION	STATE TYPE
10.31 million	Centralised

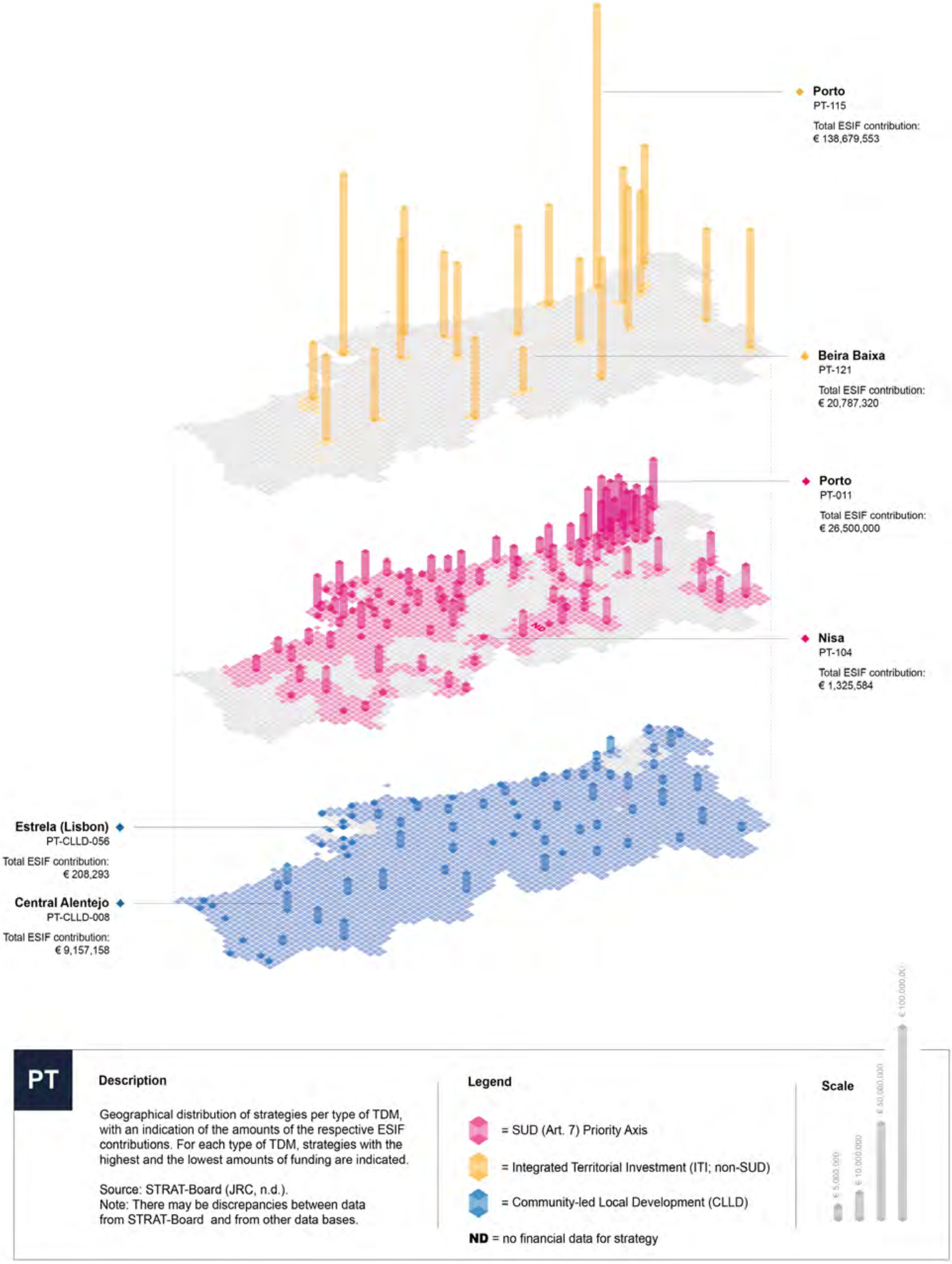
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 29,382,805,923
National Contribution (EUR)	€ 7,574,812,364
Total Contribution (EUR)	€ 36,957,618,287

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	-	-	-	-
SUD (Art. 7) Priority Axis	105	ERDF	4.9%	74%
Integrated Territorial Investment (ITI; SUD)	-	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	22	ERDF, ESF, EAFRD	6.2%	71%
Community-led Local Development (CLLD)	82	ERDF, ESF, EAFRD	0.4%	75%
TOTAL	**209**		**19.3%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanisms (TDMs)



GOVERNANCE CONTEXT

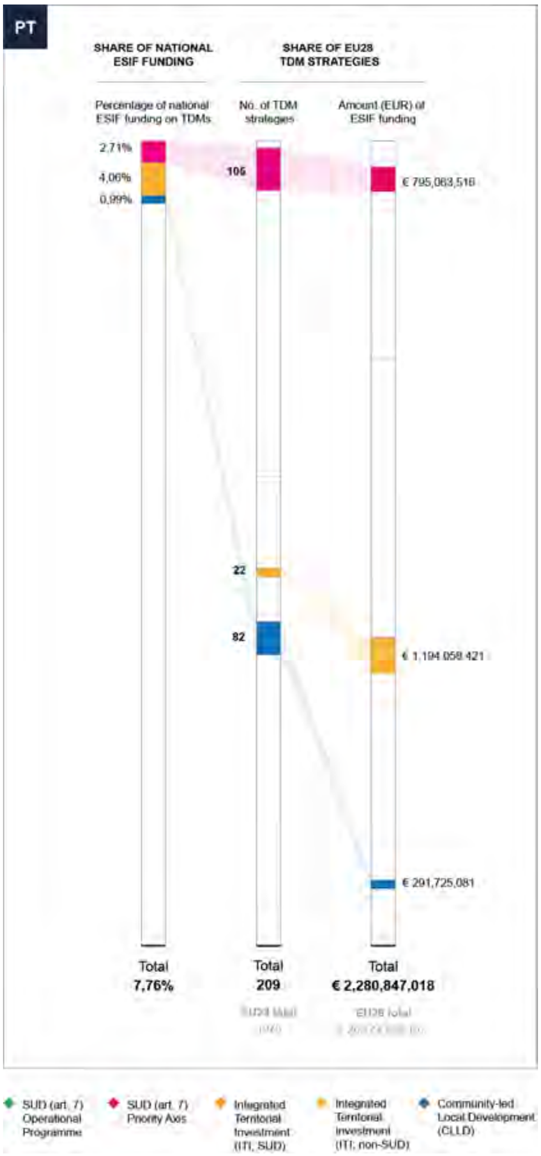
Portugal has a centralised administrative system, without a regional tier of elected government, apart from the two autonomous island regions, Azores and Madeira. The mainland features five Regional Coordination and Development Commissions (CCDR), functioning as deconcentrated entities of the central government and exercising devolved responsibilities in spatial planning, environmental matters, regional development, and local government support. At the national level, the National Programme for Territorial Planning (PNPOT) serves as the overarching spatial development policy, outlining the country's spatial development model and national directives until 2025. The CCDRs act as regional planning authorities, tasked with coordination roles. In addition, the Directorate-General for Territorial Development produced the Sustainable Cities 2020 document (Cidades Sustentáveis 2020), which serves as a national strategic framework for sustainable urban development and a roadmap for urban development opportunities in the context of EU Cohesion Policy.

COHESION POLICY CONTEXT

In 2014-20, eleven operational programmes within EU Cohesion Policy were implemented in Portugal, including seven Regional Operational Programmes (ROPs). A significant portion of Cohesion Policy is channelled through regional multi-fund programmes, with central government playing a crucial role in coordination.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

A total of 105 Sustainable Urban Development (SUD) strategies were implemented in 'higher level' urban centres. These strategies were part of the Regional Operational Programmes (ROPs) in Norte, Centro, Lisbon, and Alentejo, and were executed via Strategic Plans of Urban Development (Planos Estratégicos de Desenvolvimento Urbano - PEDU), which linked several strategic plans focusing on urban regeneration, mobility, and support for deprived communities. SUD PrAx strategies were funded exclusively with ERDF. The goal of these strategies was to enhance the attractiveness and competitiveness of cities. SUD PrAx strategies focused primarily on improving conditions in deprived neighbourhoods by enhancing social infrastructure, urban regeneration, preserving and promoting natural and cultural heritage, promoting sustainable mobility, and supporting investments that cut across several thematic objectives.

The decentralisation of strategic planning and management duties as part of SUD PrAx necessitated thorough vertical coordination, fostering a culture of collaboration among government levels. The management of strategies was formally contracted with the Managing Authority (MA) of the funding ROP, but municipal authorities played varying roles in the development of the strategy, implementation of the action plan, preparation of the calls for projects, etc. In some cases, these tasks were delegated to the relevant Inter-Municipal Community or Metropolitan Area (NUTS 3 level), or to the respective ROP MA. The process of delegating the responsibility and reinforcing governance functions was slow due to a lack of experience and capacity among some local authorities and lengthy negotiations with the MAs. There were difficulties in coordinating a large network of SUD PrAx strategies without a functional hierarchy and integrating thematic actions within each strategy. Functional geographies were not sufficiently explored as part of these strategies, partly due to the impossibility of focusing them on Metropolitan Areas' territories. At the same time, a redistributive logic of division of funding across

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

territories led to the dispersal of resources and limited their potential impact due to the reduced financial scale of interventions, while also hindering a more place-tailored approach. That said, SUD PrAx strategies' implementation led to incremental improvements in local stakeholders' capacities and the development of relevant monitoring and evaluation tools.

Non-Sustainable Urban Development Integrated Territorial Investment

In Portugal, 22 territorial pacts (Pactos para o Desenvolvimento e Coesão Territorial) were implemented through non-SUD ITI strategies. Two of these strategies covered the metropolitan areas of Lisbon and Porto, operating at various territorial scales within the metropolitan areas, depending on the type of intervention (from districts to entire municipal areas, to the broader regional context of the respective NUTS 3 area). The majority of non-SUD ITIs, however, focused on NUTS 3 regions, comprising inter-municipal associations and targeting entire NUTS 3 territories. The thematic scope of these territorial ITIs was extensive, covering areas such as the low-carbon economy, risk prevention and management, environmental protection, climate change adaptation, territorial structuring of the urban system, modernisation of local public administration, and the promotion of employment and social inclusion.

The effectiveness of using multifund strategies in non-SUD ITIs fell short of expectations due to the lack of integrated rules, procedures, and a single point of contact for beneficiaries. The leverage effect would have been greater if the different funds had been better integrated. No new functional territorial approaches were promoted by these instruments. However, the formulation of non-SUD ITI strategies led to complementarities and synergies between territorial strategies, aligning regional and local strategies and plans more effectively, promoting the integration of sectoral priorities, and adding new themes for collaboration between municipalities. Moreover, the implementation of non-SUD ITI strategies, as illustrated by the case of Porto's ITI, helped to improve the capacity of local authorities collaborating within the pre-existing inter-municipal coordination bodies and stimulated the engagement of new local stakeholders in the shaping and implementation of the strategies. ITIs triggered a process of learning and empowerment of authorities at the local level and of the pre-existing inter-municipal coordination bodies, strengthening multi-level governance and decentralisation in Portugal.

Community-led Local Development (CLLD)

Overall, 82 Community-led Local Development (CLLD) strategies were implemented, covering a large territory. Funded by multiple ESIFs, they mostly targeted rural areas. The funds supporting rural and coastal CLLD strategies included EAFRD, EMFF, ERDF, and ESF, whereas urban CLLD strategies were funded by ERDF and ESF.

The thematic scope for CLLD in Portugal was broad, covering neighbourhood regeneration, social inclusion, support for youth, job creation and skills development, the circular economy, sustainable tourism, culture and heritage protection, gender equality, public spaces regeneration, or the integration of urban and rural areas. For urban CLLD, the main objective was to promote social inclusion in an integrated manner.

During the planning and strategy definition stage, efforts were made to integrate thematic, sectoral, and policy areas within each territory. However, during the operational stage, implementation was based on Fund allocations defined by the MAs and the needs of various Ministries. Some elements could not be integrated, particularly at the funds allocation stage.

The territorial scale for rural and coastal CLLD matched the intervention areas of EARDF/EMFF Local Action Groups (LAGs), while urban CLLD focused on deprived neighbourhoods. While there was broad territorial coverage, there was a lack of a place-tailored focus. Some urban CLLDs were very small and had limited capacity to resolve local problems.

In terms of governance, the process of establishing an implementation model was lengthy, taking over two years of discussions. Eventually, however, there was a significant delegation of responsibilities to the LAGs.

Strengthening metropolitan governance in Porto

The non-SUD ITI strategy implemented in Porto serves as an example of good practice due to its positive impact on metropolitan governance and the capacity of local authorities to collaborate on a functional area-based strategy. Aligning this ITI strategy with established institutions and their strategies within a functional area generated added value. The strategy was founded on a pact involving participating municipalities and implemented by the pre-existing metropolitan authority, supported by a new technical support structure for the ITI's purposes. The preparation of the strategy by the Porto Metropolitan Area (AMP) ensured a close fit with specific local needs, further reinforced by alignment with territorial development strategies for the NUTS 3 area and those developed by the AMP. This integration facilitated the incorporation of sectoral priorities and different EU funding streams. Various metropolitan bodies, working groups, and informal platforms ensured effective coordination among networks of municipalities in the metropolitan area, while also allowing input from other local actors across different sectors. This stimulated lively inter-municipal debate and new thematic collaborations for the ITI's purposes, revitalising and strengthening the capacity of existing cross-municipal and cross-sectoral networks, as well as individual municipal governments.

IN SUM

A large number of Territorial Delivery Mechanisms were implemented in Portugal, covering most of the country's territory and large range of thematic objectives. This dispersmenet of funding and broad focus, hindered the potential for developing place-tailored strategies, even though the strategies implemented, especially as part of non-SUD ITI, effectively supported pre-existing territorial strategies and pushed inter-municipal cooperation bodies to broaden the thematic scope of their development policies. Functional linkages were not much developed, due to rigidity in the approach to territorial delimitation of strategies. Finally, concerning governance impacts, the implementation of Territorial Delivery Mechanisms in Portugal created scope for empowering subregional entities at management level, with Non-SUD ITI and SUD PrAx strategies accounting for roughly 11% ERDF and ESF funding for the country. Overall, multi-level governance and decentralisation were strengthened, though empowerment of local authorities and inter-municipal coordination bodies and capacity development.

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COUNTRY FICHE

ROMANIA [RO]

During the 2014-20 period, Romania implemented three types of Territorial Delivery Mechanisms. A total of 39 Sustainable Urban Development strategies, delivered through an Operational Programmes Priority Axis (SUD PrAx), were funded exclusively by the European Regional Development Fund (ERDF). Additionally, a single large-scale Integrated Territorial Investment (ITI) strategy was implemented in the predominantly rural, polycentric functional area of the Danube Delta. This experimental approach brought together smaller municipalities in a peripheral region and was co-funded by multiple sources, including the ERDF, European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD), and European Maritime and Fisheries Fund (EMFF). Lastly, 37 Community-led Local Development strategies were rolled out across Romania, combining ERDF and ESF funding streams. Although implementation was relatively slow, the Territorial Delivery Mechanisms in Romania had significant impacts and introduced several governance innovations.

POPULATION	STATE TYPE
19.64 million	Centralised

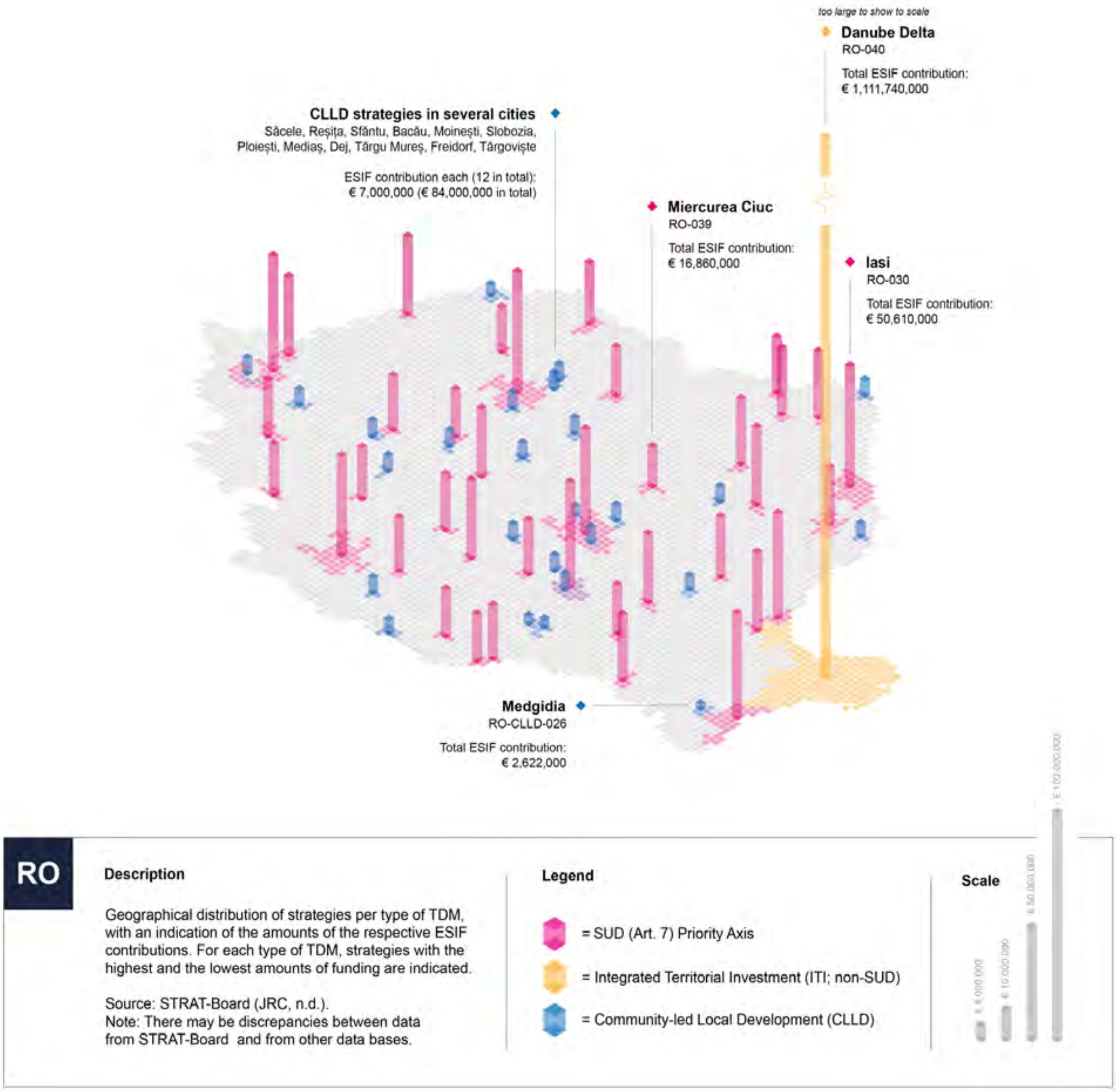
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 35,207,348,734
National Contribution (EUR)	€ 6,369,065,245
Total Contribution (EUR)	€ 41,576,413,979

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	39	ERDF	10.2%	38%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	1	ERDF, ESF, CF, EAFRD, EMFF	5.3%	55%
Community-led Local Development (CLLD)	37	ERDF, ESF,	0.8%	22%
TOTAL	**77**	**-**	**16.3%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.). Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases. Cohesion Open Data Platform data indicates that a certain amount of funding was also deployed through SUD ITI strategies implemented in Romania, however these were not covered by this evaluation.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Romania's territorial administration system is centralised, with limited authority at the regional level and no elected regional officials. The country is organised into Communes (comune), Towns (oraşe), and Counties (judeţe). Larger towns with significant national importance may be designated as municipalities (municipii) through specific legislation. The 41 Romanian Counties are the primary administrative units.

The Regional Development in Romania Act (No. 315/2004) defines the structure and objectives of regional development policy, detailing the roles and tools for regional development. Romania is divided into eight development regions, which are not administrative units and have no legal status. The Regional Development Agencies serve as executive bodies for the Regional Development Councils and act as Intermediate Bodies for the Regional Operational Programmes. These agencies are tasked with creating strategies, securing resources, implementing funding programmes, and promoting economic growth, partnerships, and entrepreneurship.

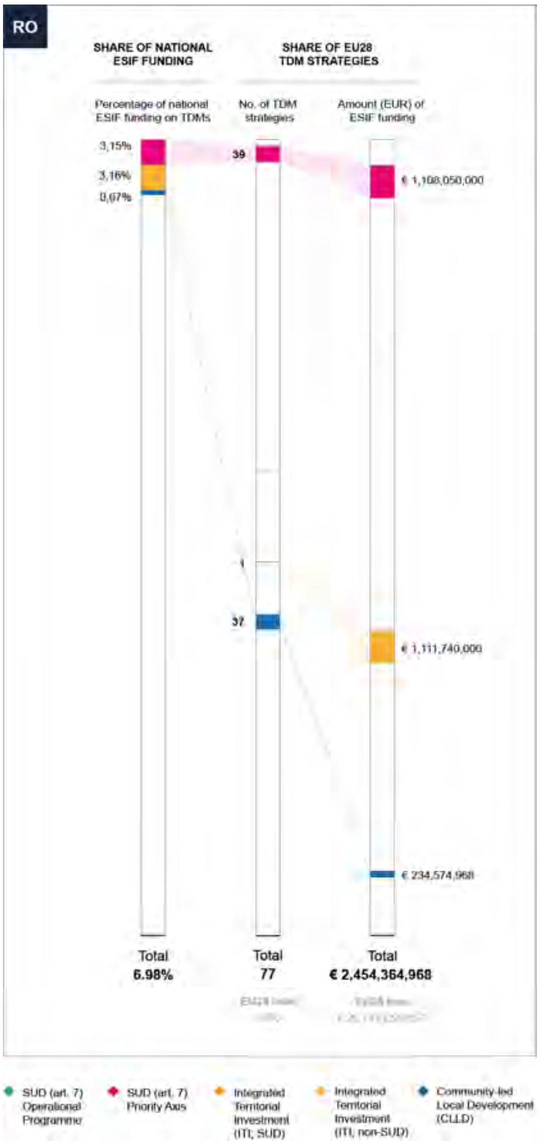
Regional Development Councils, consisting of County Council presidents, oversee the regional development process in their respective areas. Although this framework has enabled some coordination for infrastructure projects like secondary transport corridors, the implementation of Cohesion Policy remains highly centralised, reflecting Romania's top-down administrative approach. Territorial governance practices in Romania are largely centred on managing Cohesion Policy, including Regional Operational Programmes, with some influence from new practices introduced by Territorial Delivery Mechanisms, which are detailed further later in this document.

COHESION POLICY CONTEXT

During the 2014-20 period, Cohesion Policy in Romania was implemented across 8 NUTS-2 regions. Seven of these were classified as Less Developed Regions, while one, București - Ilfov, was classified as More Developed. The responsibility for coordinating the implementation of European Structural and Investment Funds (ESIF) rested with the national government. The implementation structure for ESIF comprised three management authorities, each linked to a national ministry: the Ministry of European Investments and Projects (Ministerul Investițiilor și Proiectelor Europene – MIPE), the Ministry for Development, Public Works, and Administration (Ministerul Dezvoltării, Lucrărilor Publice și Administrației – MDLPA), and the Ministry of Agriculture and Rural Development (Ministerul Agriculturii și Dezvoltării Rurale – MADR). Additionally, there were 32 regional (NUTS-2) Intermediate Bodies, one for each region, responsible for managing the following Operational Programmes: Competitiveness OP, Large Infrastructure OP, Regional OP, and the National Rural Development Programme.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7) Priority Axis

Romania received the third-largest allocation of ERDF resources dedicated to SUD among EU Member States. A total of 37 SUD PrAx strategies were supported exclusively by ERDF funding. These initiatives focused on county capitals in less-developed regions, excluding Bucharest and Tulcea, as the latter was included in the Danube Delta non-SUD ITI. The projects supported by SUD PrAx strategies were largely concentrated on infrastructure and public sector improvements, with priority given to urban mobility, the development of green spaces, social infrastructure in disadvantaged areas, and improvements in education services.

The management and oversight of these strategies were handled through two levels of Intermediate Bodies. The Regional Development Agencies were responsible for assessing the eligibility of the strategies, while Urban Authorities oversaw the selection of project priorities.

SUD PrAx strategies were closely aligned with Urban Mobility Plans, creating a cohesive package that was grounded in, and complemented, statutory planning documents. The Community-Led Local Development (CLLD) strategies also contributed to achieving the objectives set out in the SUD strategies.

One of the key benefits of SUD PrAx strategies was the significant improvement in transport infrastructure, promotion of alternative forms of mobility such as public transport, and investments aimed at enhancing the quality of urban spaces. In addition, these initiatives fostered the development of administrative capacities. Oradea, a mid-sized city in the North-West region, is a notable example where implementing the SUD strategy led to the effective management of multiple complex projects, highlighting the city's enhanced administrative capabilities.

Furthermore, the SUD PrAx strategies helped introduce sustainable development concepts into Romania's urban planning practices, including integrated mobility approaches (Nagy et al., 2018). However, challenges emerged. Smaller cities were initially excluded from urban development funding, an issue that was later addressed through the creation of a dedicated Priority Axis within the

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Regional Operational Programme. Administrative capacity issues and bureaucratic hurdles also slowed the pace of financial implementation. By the end of 2022, only 38% of the allocated ERDF funds had been spent, compared to 48% of resources utilised through mainstream Cohesion Policy measures at the same time.

Non-Sustainable Urban Development Integrated Territorial Investment

During the 2014-20 period, Romania implemented just one non-SUD Integrated Territorial Investment (ITI) strategy in a polycentric area. This strategy was significant, not only due to its large budget (€1.1 billion in combined ESIF funding) but also for its novel approach based on functional area delimitation and an integrated development strategy, aimed at stimulating growth and improving access to funds in a peripheral region.

The ITI strategy centred on preserving the Danube Delta Natural Reserve Area, covering all eleven Thematic Objectives (TOs) and supported by all European Structural and Investment Funds (ESIF) through eight distinct Operational Programmes (OPs). Its rationale was clearly defined at the national level, aiming to pilot a development instrument that addressed the specific challenges of a geographically unique area, such as strong urban-rural interdependence, limited accessibility, and stringent environmental requirements. The Danube Delta was selected for its distinct geographic (peripheral location, low accessibility), demographic (population decline), infrastructural (deteriorating infrastructure), and environmental (need to protect its unique ecosystem) challenges. The ITI also aimed to improve access to EU funding for smaller, peripheral municipalities and expand opportunities for local authorities in the region.

The strategy covered a region spanning two NUTS 3 counties, Tulcea and Constanța, including Tulcea as the main urban centre alongside four towns and 33 rural municipalities. With the exception of Tulcea, the area is largely sparsely populated, with economic development lagging behind other parts of the country.

The Ministry for Regional Development and Public Administration acted as the Managing Authority, while other implementing bodies included the Ministry of European Investments and Projects (national coordinator of ESIF and managing authority for OPs on human capital, competitiveness, large infrastructure, and technical assistance), and the Ministry of Agriculture and Rural Development (managing the fisheries and sea affairs OP). Coordination was facilitated by a Functional Working Group, rather than a dedicated intermediary body, between the central authorities and the newly established ITI Development Association (IDA). While the IDA was tasked with implementing and monitoring the programme, it had no authority to select operations, with only a pre-selection process allowed under Regulation (EU) 1303/2013.

The ITI strategy was supported by a newly formed consultative committee comprising around 50 members from the public sector, private sector, civil society, and academia. A maximum of 49% of the members represented public entities, ensuring that at least 51% came from non-public actors. Subcommittees were formed to debate the strategic pillars of the strategy, promoting a balanced distribution of resources and fostering stakeholder engagement. The committee introduced governance innovations at the functional area level, making the IDA a regionally embedded hub of expertise, even though its decision-making powers were limited to issuing project eligibility certificates.

The strategy also created new partnerships across sectoral boundaries and levels of government, helping structure decision-making in the territory. Local actors were required to negotiate project priorities, types of financing, and the timing of investments. However, centralised management and regulatory barriers limited the scope for local empowerment and cross-municipal collaboration.

The ITI contributed to capacity building for inter-municipal cooperation, organised by the IDA, but coordination issues persisted, particularly between urban and rural representatives. Centralised management also hindered knowledge-sharing among municipalities.

All possible thematic objectives were covered under the strategy, enabling a wide range of operations. However, this “catch-all” approach came at the cost of thematic focus. Territorial integration was further hampered by the equitable distribution of funding across the region, prioritising fairness over strategic goals and limiting cross-municipal projects.

Funds integration was also challenging, as all OPs were centrally managed, and the coordination between ERDF and ESF proved difficult. Strict environmental regulations, poor local capacity, and timing mismatches between OPs further complicated efforts to integrate funds.

One key value of the ITI was its role in highlighting territorial issues and place-specific needs within the framework of Romania’s Cohesion Policy. However, the OPs funding the ITI projects were not designed with territorial specificities in mind, making the implementation resemble a more mainstream, non-territorial approach.

By the end of 2022, only 55% of the allocated ERDF and Cohesion Fund resources had been spent, highlighting significant challenges in implementing the strategy.

Community-led Local Development

A total of 37 CLLD strategies were rolled out in urban areas across Romania, complementing the already established LEADER Local Action Groups (LAGs) in rural regions. These strategies were eligible for funding from two Operational Programmes (OPs): the Human Capital OP, funded by the European Social Fund (ESF) and overseen by the Ministry of Investments and European Projects, and the Regional OP, funded by the European Regional Development Fund (ERDF) and managed by the Ministry of Regional Development and Public Administration. Implementation was carried out through eight regional Intermediate Bodies, including Regional Development Agencies and OIR POSDRU.

Romania's urban CLLD LAGs represented the country's only multi-fund initiative under Cohesion Policy, enabling the design of place-based strategies drawing from multiple OPs. The core objective was to reduce poverty and social exclusion in marginalised communities, with particular emphasis on disadvantaged groups, including the Roma minority. CLLD gave these communities a direct role in shaping and implementing strategies aimed at addressing their specific needs, allowing them to take part in the process and witness the outcomes of their contributions.

The supported interventions were required to be multi-sectoral and integrated. Typical activities included improving education, providing support to access and maintain employment, delivering integrated services to marginalised groups through centres or single points of contact, and promoting entrepreneurship in both the mainstream and social economy. Alongside these social initiatives, ERDF-funded projects focused on physical improvements, such as upgrading social housing, healthcare, educational facilities, integrated community centres, and public infrastructure and spaces (LDnet, 2021).

Newly created LAGs became key hubs of expertise in community development. They engaged local communities using various tools, including focusing on the involvement of marginalised groups. A notable example was the CLLD strategy implemented in Caracal, a city in Olt County, which provided the first framework for marginalised groups to access Cohesion Policy funding, ensuring they benefited from resources previously unavailable to them.

CLLD strategies were tailored to address territorial needs, making it easier to combine ERDF and ESF funding at the local level. These strategies also introduced innovations in territorial targeting, such as micro-zoning, which identified areas most in need based on national analysis. Caracal's CLLD strategy, for example, used a matrix to identify measures with strong integrated impacts. Although no multi-fund projects were implemented, different projects funded by separate streams were coordinated as part of joint measures. LAGs also engaged in networking and knowledge-sharing activities, which helped to build their capacities, supported by the Romanian Federation of Urban LAGs.

However, several challenges emerged during implementation. Firstly, significant delays occurred due to the novelty of the approach, requiring all institutional actors involved to familiarise themselves with the new tool. Engaging the local community also took longer than anticipated, while bureaucratic obstacles further slowed progress.

Secondly, there was criticism that in some instances, CLLD was viewed merely as a funding source to fill local budget gaps, which weakened its intended role as a strategic instrument for fostering local economic development.

Lastly, LAGs faced difficulties with the inflexible, top-down management structures, which tended to stifle innovation and encourage more conventional, uniform solutions (LDnet, 2021).

By the end of 2022, only 22% of the allocated ERDF funding for CLLD in Romania had been spent, reflecting the said implementation challenges. This was significantly lower than the rate of financial implementation for mainstream Cohesion Policy (48%) and the other Territorial Delivery Mechanisms in Romania.

Improving the quality of life among marginalised communities through Caracal's CLLD strategy

The rehabilitation and modernisation of the Carpați and Fânărie neighbourhoods in Caracal exemplify the use of CLLD strategies to improve life quality in marginalised communities. The project targeted issues of marginalisation, segregation, and lack of essential services for Caracal's Roma population.

At its core was the development of an integrated community centre offering services such as emergency housing for domestic violence victims and playgrounds for children. By combining ERDF and ESF funding, the initiative was community-focused, involving local residents in decision-making to ensure the interventions met their specific needs. Cross-sector collaboration with local government, NGOs, and educational institutions was crucial for pooling resources and expertise.

The CLLD strategy promoted innovative solutions, including modern facilities, communal baths, and emergency housing. Designed with a long-term vision, it engaged local stakeholders, like the Caracal Municipality, early on to ensure sustainability.

The holistic approach led to notable improvements in education and social cohesion. Key lessons include the importance of coordinated sectoral efforts, active community involvement, and sustained investment. Flexibility and adaptability, considering the cultural context and needs of marginalised communities, are vital for lasting impact.

IN SUM

The use of Territorial Delivery Mechanisms in Romania was significant in several respects. Despite facing considerable administrative challenges that slowed funding absorption and encountering issues related to limited capacity and a centralised approach, these instruments brough considerable innovation. They They piloted integrated, place-based approaches to regional and local development, fostered community engagement, and encouraged new partnerships within the Romanian context.

Firstly, SUD PrAx strategies, the non-SUD ITI in the Danube Delta, and urban CLLD strategies effectively addressed local needs, extending Cohesion Policy funding to areas and communities that previously had not benefited directly. Secondly, although functional integration was limited, there is evidence of a shift towards more integrated and complementary operations. Thirdly, new collaborative arrangements emerged across different levels of government and between state, civic, and private sectors, particularly through the ITI strategy and CLLD initiatives. These efforts created new coalitions to support regional and local development while also building institutional capacities.

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COUNTRY FICHE

SWEDEN [SE]

A wide range of Territorial Delivery Mechanisms were used in Sweden. Domestic priorities for integrated approaches to urban development and EU-funded Sustainable Urban Development (SUD) strategies were closely aligned. The national Agency for Economic and Regional Growth (Management Authority for ERDF) worked with the National Board of Housing, Building and Planning, the Swedish Energy Agency, the Swedish Environmental Protection Agency, and the Swedish Transport Administration to create a platform for cooperation, coordination, and knowledge sharing on SUD initiatives.

Decisions on the specific mechanisms for SUD were made at the regional level, resulting in three different implementation approaches in the main cities. Stockholm chose a strategy implemented through a dedicated Operational Programme (SUD OP), Gothenburg opted for a strategy implemented through Integrated Territorial Investment (SUD ITI), and Malmö implemented a strategy through a priority axis of an Operational Programme (SUD PrAx). All of these used ERDF as the primary source of funding. Additionally, 42 Community-led Development strategies were deployed, combining ERDF, European Social Fund (ESF), and European Agricultural Fund for Rural Development (EAFRD) funding streams.

POPULATION	STATE TYPE
9.99 million	Decentralised

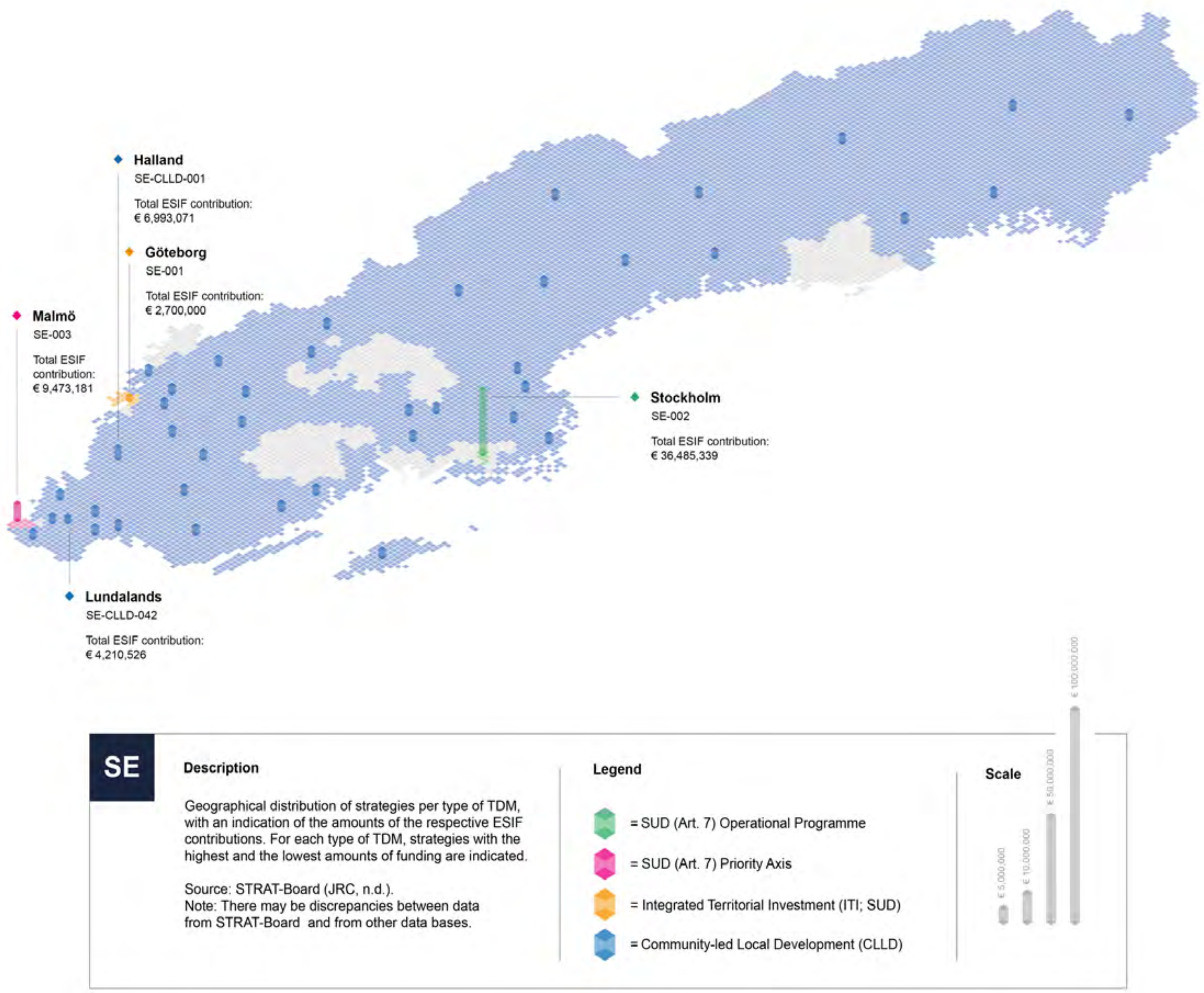
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 4,615,105,339
National Contribution (EUR)	€ 3,362,071,842
Total Contribution (EUR)	€ 7,977,177,181

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	1	ERDF	3.4%	87%
SUD (Art. 7) Priority Axis	1	ERDF	1%	77%
Integrated Territorial Investment (ITI; SUD)	1	ERDF	0.2%	92%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	42	ERDF, ESF EAFRD	1%	62%
TOTAL	**45**	**-**	**8.6%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

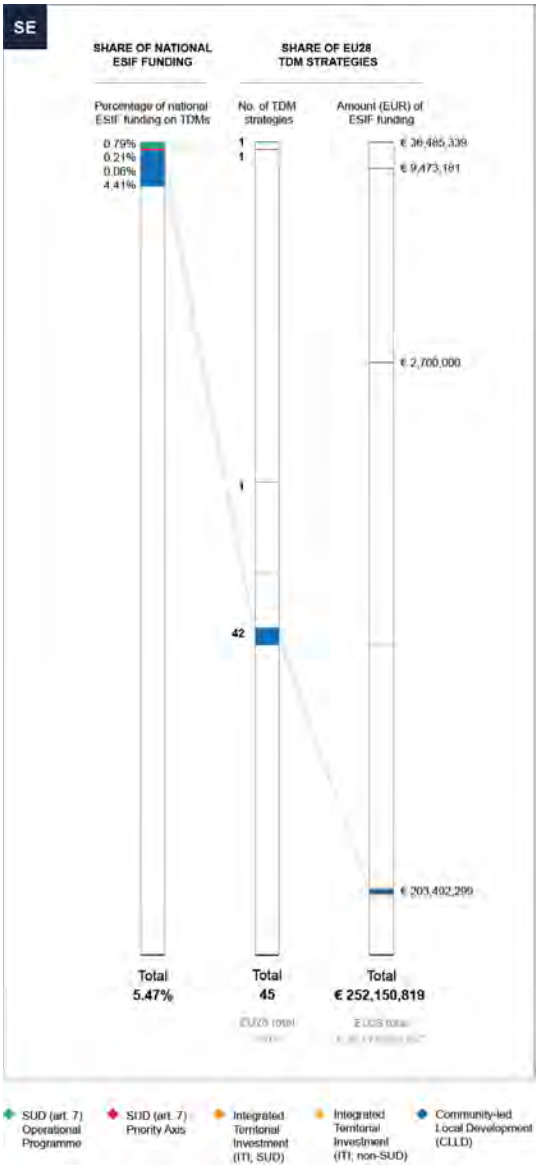
Sweden's territorial administration system has three tiers and is decentralised. There are 21 regional authorities, known as regioner, which formally act as the governing bodies for their respective regions. The regions are responsible for public health, culture, public transport, as well as regional growth and development. Meanwhile, the 290 municipalities (kommuner) have a broader range of responsibilities, including transport, social welfare, education, urban planning and building matters, emergency and rescue services, health protection, environmental protection, waste and water management, and housing. Collaboration between public authorities, private sector actors, and civil society is a key feature of Sweden's territorial governance, involving partnerships between regional agencies, municipalities, and other organisations.

COHESION POLICY CONTEXT

In 2014-20, Sweden implemented 11 Operational Programmes (OPs) under EU Cohesion Policy. Of these, 8 regional programmes and one national programme were funded by the European Regional Development Fund (ERDF)—the National Regional Fund Programme for Investments in Growth and Jobs 2014-2020. Additionally, one national programme was funded by the European Social Fund (ESF), with extra support from the Youth Employment Initiative (YEI). There was also one national multi-fund OP on Community-Led Local Development, financed by both the ERDF and the ESF.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Sustainable Urban Development (Art. 7) Operational Programme

A single SUD OP strategy was implemented in Stockholm. This was the largest Territorial Delivery Mechanism strategy in Sweden in budgetary terms. The regional programme for Stockholm was entirely focused on implementing SUD, aligned with the regional development strategy, RUFS 2050. While the OP was funded by the ERDF, SUD operations in Stockholm were also supported by ESF-funded Regional Action for Stockholm.

The strategy covered the entire Stockholm Functional Urban Area (FUA), corresponding to the NUTS 2 region, without further territorial demarcation. The programme's formulation involved all municipalities within the FUA, brought together through the Stockholm Structural Funds Partnership, which was responsible for prioritising EU-funded projects in the region.

There was a clear intervention logic for the programme. The integrated approach to SUD aimed to foster links between the research and innovation sectors and firms within the metropolitan area, with the SUD OP strongly tied to the Smart Specialisation Strategy (S3). A shared needs analysis informed both initiatives, and the SUD OP was viewed as a tool to operationalise the S3 strategy. However, challenges were noted in ensuring coherence between the SUD OP and local urban strategies.

A key limitation was the difficulty in developing larger, more integrated strategic operations due to limited funding. Additionally, the SUD OP triggered limited governance innovation, as strong regional partnerships between municipalities already existed. The involvement of other urban actors was somewhat less prominent than in other SUD strategies in Sweden.

However, a new dialogue between the Managing Authorities for the ERDF SUD OP and the ESF OP was established, fostering a collaborative approach to urban challenges. Innovative stakeholder engagement methods, such as 'urban games', were also introduced. In line with the 'Stockholm model', which included a mobilisation group for city authorities and local actors, there was a strong emphasis on involving the private sector in smart specialisation. Nevertheless, the inability to integrate ERDF and ESF measures, along with limited funding, hindered the mobilisation of some actors.

ERDF funding was primarily allocated to support Small and Medium-sized Enterprises (SMEs), with €16.4 million, and to promote research and innovation, with nearly €15 million. A smaller amount, €3.2 million, was allocated to promoting a low-carbon economy.

By the end of 2022, 87% of ERDF resources committed to the SUD OP in Stockholm had been spent on projects, slightly outperforming mainstream Cohesion Policy programmes, where 81% of ERDF and CF funding had been implemented by the end of the same year.

Sustainable Urban Development (Art. 7) Priority Axis

Sweden's only SUD PrAx strategy was implemented in Malmö, funded by the ERDF. The strategy was carried out under Priority 5 of the regional OP Skåne-Blekinge, focusing on sustainable urban and community development. This priority targeted strengthening research, technological development and innovation, and enhancing the competitiveness of SMEs, with corresponding ERDF allocations of €8.7 million

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

and €1 million. To be eligible for funding, projects had to align with both Malmö's cross-sectoral sustainable urban development plan and the Skåne-Blekinge regional OP. The Municipality of Malmö was responsible for prioritising applications submitted to the Managing Authority before they were approved by the regional Structural Funds Partnership.

An application process was established, allowing various project owners, including different municipal departments, to apply for funding. This approach enabled those with direct, hands-on experience of specific needs to design and implement projects, promoting a bottom-up approach to funding allocation. It fostered a collaborative working environment for project leaders, who typically worked in isolation, and provided department directors with better oversight for planning and coordination (Fioretti et al., 2021).

The strategy's focus on designated areas within Malmö's administrative boundaries limited efforts to strengthen functional linkages. The specific territorial delimitation made it difficult for potential beneficiaries to implement projects solely in these areas, as most operated in broader geographical regions.

The SUD PrAx strategy performed slightly worse than mainstream Cohesion Policy in terms of financial implementation. By the end of 2022, 77% of the allocated ERDF funds had been utilised for projects under the SUD PrAx strategy.

Sustainable Urban Development Integrated Territorial Investment

Gothenburg implemented Sweden's only SUD ITI strategy, funded by the ERDF. The Executive Committee of Gothenburg developed a cross-sectoral action plan for ERDF investments, detailing potential urban development projects. This plan was incorporated into the West Sweden ERDF programme and received 4.8% of its budget. The strategy enabled greater municipal involvement in managing EU funds, with Gothenburg participating in both programming and evaluation through the Structural Funds Partnership.

Similar to Malmö, Gothenburg established a fund coordination group to prioritise funding applications. However, like Malmö, the strategy's focus on the city's administrative boundaries limited its ability to enhance functional linkages. There is limited empirical evidence on the strategy's impact on governance and its place-based approach to Cohesion Policy.

The strategy primarily concentrated on the low-carbon economy, with €1.4 million of ERDF funding allocated, followed by €672,881 for SMEs and €323,091 for research and innovation activities. By the end of 2022, 92% of the allocated ERDF resources had been spent on projects, significantly outperforming mainstream Cohesion Policy, where only 81% of ERDF/CF resources were utilised by the same date.

Community-led Local Development

Across Sweden, 42 CLLD strategies were implemented. Local Action Groups (LAGs) could combine funding from four sources: ERDF, ESF, EAFRD, and EMFF. The Swedish Board of Agriculture Unit managed CLLD funding through a dedicated OP, complementing other ERDF and ESF programmes. The primary focus was on social inclusion, with support for various fields including migrant and refugee integration, ageing, youth, circular economy, digital transition, sustainable tourism, cultural heritage, urban-rural linkages, gender equality, research and innovation, jobs, skills, and SME support.

The programme featured a Monitoring Committee with 20 representatives from regional and local authorities, businesses, trade unions, and civil society organisations. The Swedish Rural Network acted as the contact point for LAGs, organising networking and capacity-building activities.

LAGs used different combinations of funds: 4 LAGs used only EMFF; 2 used only EAFRD; 4 combined EAFRD and ERDF; 2 combined EAFRD and ESF; 25 combined EAFRD, ERDF, and ESF; 1 combined EAFRD, EMFF, and ESF; and 8 used all four funds: EAFRD, EMFF, ERDF, and ESF.

Although CLLD strategies led to well-received projects responding to the local needs (LDnet, 2021), their impacts were mostly local and difficult to quantify due to issues with targets and indicators. Additionally, the pace of implementation was slow due to lengthy procedures. By the end of 2022, only 62% of the allocated funding had been used for CLLD projects, falling behind other Territorial Delivery Mechanisms and mainstream Cohesion Policy in terms of financial implementation.

The Stockholm model

The Stockholm Model, developed by the regional Structural Funds Partnership (SFP) during 2014-20, aimed to link SUD OP investments with national ESF OP funding to foster cross-sectoral collaboration and support SMEs, especially in line with the Regional Smart Specialisation Strategy. A mobilisation group, involving municipalities and stakeholders from business, higher education, and research, identified regional needs through thematic workshops. Matchmaking workshops were also held to develop project ideas before open calls for applications. Although calls were technically open to all, most submissions came from projects involving the mobilisation group. The model successfully brought together actors for ERDF-funded projects in key areas, but struggled with structural separation between ERDF and ESF OPs, and collaboration with stakeholders beyond ERDF projects remained limited.

IN SUM

During the 2014-20 period, Sweden adopted an unusual approach to Territorial Delivery Mechanisms. While numerous CLLD strategies were implemented, three different types of SUD strategies were employed in the country's three largest cities. The development and execution of these strategies relied heavily on Sweden's established culture of partnership-working. SUD strategies were crafted with input from relevant public actors and executed through partnerships between municipal governments and Managing Authorities. This approach enabled projects to address local needs effectively, particularly in the case of CLLD strategies.

However, the SUD OP in Stockholm, which focused on the Functional Urban Area (FUA), faced challenges in supporting larger projects due to limited funding. Similarly, in the SUD PrAx and SUD ITI strategies, the focus on city boundaries and restricted territorial areas hindered efforts to promote integration along functional linkages. Even though well-regarded projects responding to local needs were implemented through CLLD strategies, some administrative difficulties were encountered, slowing down financial implementation.

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COUNTRY FICHE

SLOVENIA [SI]

During the 2014-20 period, two types of Territorial Delivery Mechanisms were implemented in Slovenia, with a total of 48 strategies covering most of the country's territory. First, 11 Sustainable Urban Development (SUD) strategies, implemented through the Integrated Territorial Investment (ITI) instrument, were introduced. These strategies combined funding from the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). Second, a larger number (37) of Community-led Local Development (CLLD) strategies, governed by Local Action Groups (LAGs), were also established. These strategies integrated three funding streams: ERDF, the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF).

POPULATION	STATE TYPE
2.84 million	Centralised

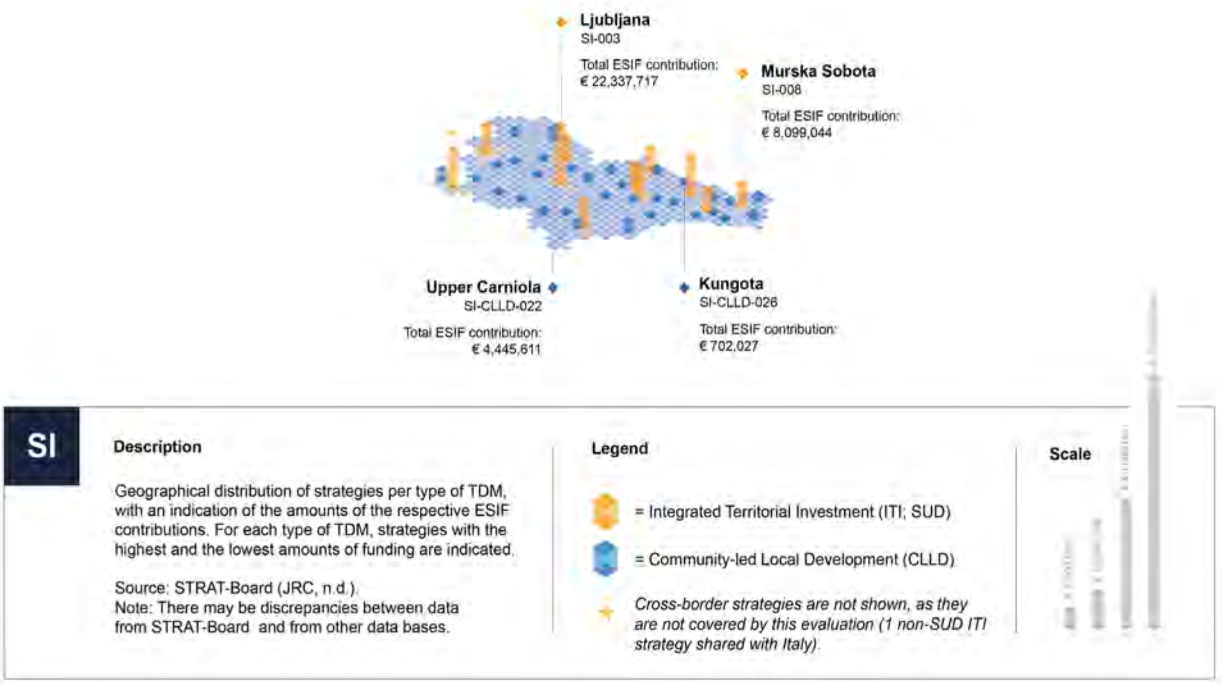
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 4,514,507,753
National Contribution (EUR)	€ 1,106,768,697
Total Contribution (EUR)	€ 5,621,276,450

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	11	ERDF, CF	5.5%	71%
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	37	ERDF, EAFRD, EMFF	1.2%	71%
TOTAL	**48**		**6.7%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Slovenia operates under a unitary state system, with its territorial governance organised into 212 municipalities (Občine), including 12 urban municipalities (Mestne občine). These municipalities are responsible for managing local services such as education, healthcare, and other public utilities. In addition to this administrative structure, the country is divided into 12 statistical regions, which serve primarily for planning and statistical purposes. The central government, based in Ljubljana, manages national affairs such as defence, foreign policy, and financial administration.

Slovenia remains a centralised state, largely due to the absence of an intermediate regional administrative level between the state and municipalities, as well as the relatively small size of municipalities, which limits their competencies. National authorities hold legislative power across all sectors and supervise the legality of local government actions. Despite some decentralisation efforts, such as the establishment of regional development agencies, the central government retains significant control.

Urban development in Slovenia is closely aligned with the national Spatial Development Strategy (Strategija Prostorskega Razvoja Slovenije, SPRS), which integrates urban planning into broader spatial policy.

COHESION POLICY CONTEXT

During the 2014-20 period, Cohesion Policy in Slovenia was primarily implemented through the Operational Programme for the Implementation of the EU Cohesion Policy 2014–2020, which combined funding from the ESF, ERDF, CF, and the Youth Employment Initiative (YEI). The Operational Programme (OP) had a broad thematic scope, covering all 11 thematic objectives, and was centrally managed by the Ministry of Cohesion and Regional Development. The OP's Intermediate Bodies included the relevant sectoral ministries, as well as the Association of Urban Municipalities of Slovenia (ZMOS), which was responsible for Sustainable Urban Development.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

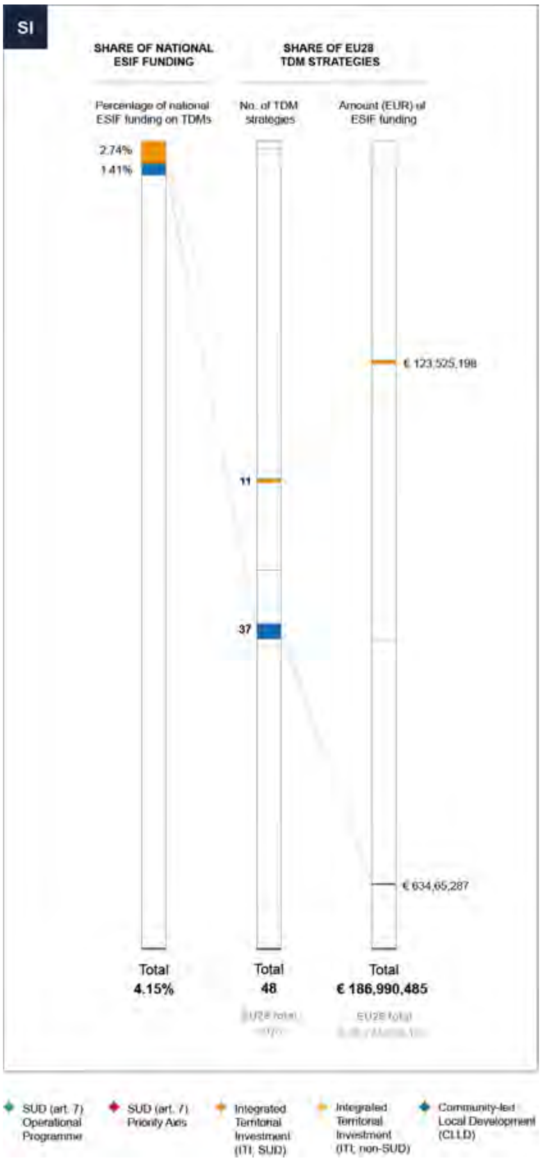
Sustainable Urban Development Integrated Territorial Investment

The 11 SUD ITI strategies in Slovenia were aligned with the investment priorities set out in the Operational Programme, drawing from two funding sources: the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). These ITIs supported the development of urban areas, with each municipality defining its own strategies.

The ERDF provided the majority of funding, focusing on projects under the thematic objective of environmental protection and resource efficiency, particularly urban renewal, and the shift towards a low-carbon economy (€124 million), with an emphasis on urban mobility. CF funding was primarily used to support energy efficiency initiatives within the same priority, with an overall ERDF/CF allocation of €45 million.

In implementing the ITI mechanism, ZMOS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

acted as an Intermediary Body for selecting operations, while the Government Office for Development and European Cohesion Policy served as the Managing Authority for SUD project implementation. The Ministry of Environment and Spatial Planning oversaw projects related to environmental protection, and the Ministry of Infrastructure was responsible for those under the low-carbon economy objective.

Once strategies were approved by the central government, cities created action plans to implement ITI projects in three key areas: building renovations, urban mobility, and the renewal of deprived urban areas. ZMOS issued calls for projects in each area and evaluated proposals through an expert group. The Board of Mayors then approved selected projects before submitting them to the relevant ministries.

The Slovenian SUD ITI approach had certain weaknesses, including the lack of a clear rationale for using this instrument and weak cross-sectoral integration within the covered areas. Furthermore, there was little impact on strengthening functional linkages, as ITI territories were delineated in a top-down manner, centred around city administrative boundaries. As in many other countries, there was no integration between the ESF and ERDF at the operational level, and limited delegation of powers to city authorities beyond strategy drafting.

Nonetheless, the SUD ITI strategies enabled a more ‘city-specific’ implementation of Cohesion Policy, addressing local needs in the urban areas involved, albeit with limited community and citizen participation. The involvement of ZMOS as an intermediary significantly improved horizontal and vertical collaboration between cities and across different levels of government.

In terms of financial implementation, the SUD ITI performed better than mainstream Cohesion Policy. By the end of 2022, 71% of the allocated funding had been utilised in projects, compared to 64% for mainstream programmes

Association of municipalities as an Intermediate Body for Slovenian SUD ITI strategies

The Association of Urban Municipalities of Slovenia (ZMOS) advocates for the interests of 12 urban municipalities, which, while representing only a small portion of the country’s 212 municipalities, account for over a third of the population and serve as key regional hubs for economic, social, governmental, and public services. ZMOS’s primary role is to safeguard the interests of these urban municipalities at both national and international levels. During the implementation of Territorial Delivery Mechanisms in the 2014-20 period, ZMOS was designated as an Intermediate Body for Slovenia’s SUD ITI strategies. The association was responsible for selecting projects under all SUD ITI strategies, acting as a bridge between the central government and the municipalities. Meanwhile, the urban authorities were responsible for drafting the SUD ITI strategies. This institutional arrangement improved collaboration among cities, built trust between local and national governments, and increased awareness of Cohesion Policy objectives and regulations at the urban level. These efforts were credited with improving the effectiveness of the SUD ITI instrument in the country (CEMR, 2022; Ferry at al., 2018).

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Community-led Local Development

A total of 37 CLLD strategies were implemented in Slovenia during the 2014-20 period, using a multi-fund approach (ERDF, EAFRD, EMFF). These strategies predominantly targeted rural areas, with a smaller focus on coastal regions. Almost the entire Slovenian territory was covered by these initiatives.

ERDF funding for Slovenian CLLD was allocated exclusively to the social inclusion thematic objective. The strategies concentrated on areas such as sustainable tourism, social inclusion, health, employment and skills, culture and heritage, youth, entrepreneurship, and support for small and medium-sized enterprises.

These strategies had a significant impact on addressing local needs, particularly in terms of social inclusion, environmental protection, nature conservation, and the preservation of cultural landscapes and heritage. The integration of multiple funding streams broadened the scope of interventions by Local Action Groups (LAGs), originally established under the LEADER programme. Additionally, the strategies enhanced bottom-up engagement with local stakeholders, a result that was highly appreciated by those involved. The establishment of a "one-stop-shop" for supporting LAGs, known as the CLLD Coordination Committee, was instrumental in fostering collaboration and communication between Managing Authorities, Intermediate Bodies, the paying agency, and the LAGs (LDnet, 2021).

The CLLD approach was especially beneficial for rural areas in Slovenia, as it allowed development strategies to be customised to the unique context and needs of each region, while also reflecting local principles and strategic goals. This model promoted participatory decision-making, planning, funding, and implementation. The projects and operations carried out had a notable impact at both local and regional levels. An analysis of completed projects showed that the most prominent initiatives focused on improving quality of life, marketing, tourism, social inclusion of vulnerable groups, and intergenerational cooperation. However, the administrative burden of the LEADER/CLLD programme was considered excessive, given the relatively small size of the grants, which discouraged potential beneficiaries (Potočnik Slavič et al., 2022).

By the end of 2022, 71% of the allocated funding had been utilised in projects, matching the financial performance of SUD ITI strategies.

IN SUM

Although a relatively small portion of Cohesion Policy resources was allocated to Territorial Delivery Mechanisms in Slovenia during 2014-20, the territorial coverage of these strategies was extensive. More importantly, the strategies succeeded in delivering more place-specific interventions that addressed local needs, particularly through the CLLD strategies. However, functional and cross-sectoral integration were not strong aspects of the strategies implemented, despite the more integrated approach encouraged by CLLD.

In terms of governance innovation, the work of ZMOS led to improved vertical and horizontal collaboration, but the empowerment of municipalities through the SUD ITIs was limited due to the centralised approach. While the SUD ITI strategies did not significantly engage stakeholders, the CLLD strategies were innovative in fostering bottom-up engagement with local actors.

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COUNTRY FICHE

SLOVAKIA [SK]

During the 2014-20 period, eight non-urban Integrated Territorial Investment strategies (Non-SUD ITI) were implemented at the NUTS3 level, alongside eight Sustainable Urban Development Integrated Territorial Investment (SUD ITI) strategies in the main cities. ITI was the mechanism used to support the implementation of Regional Integrated Territorial Strategies, considered the primary instrument for applying the integrated approach. These strategies comprised both SUD ITI and Non-SUD ITI components and were developed by partnerships led by the regional authorities. The Ministry of Agriculture and Rural Development acted as the relevant Managing Authority responsible for urban and territorial strategies supported by the European Regional Development Fund (ERDF). Additionally, 110 Community-Led Local Development (CLLD) strategies were deployed in rural areas, funded by the ERDF and the European Agricultural Fund for Rural Development (EAFRD). Together, these strategies effectively covered the entire territory of Slovakia.

POPULATION	STATE TYPE
5.43 million	Decentralised

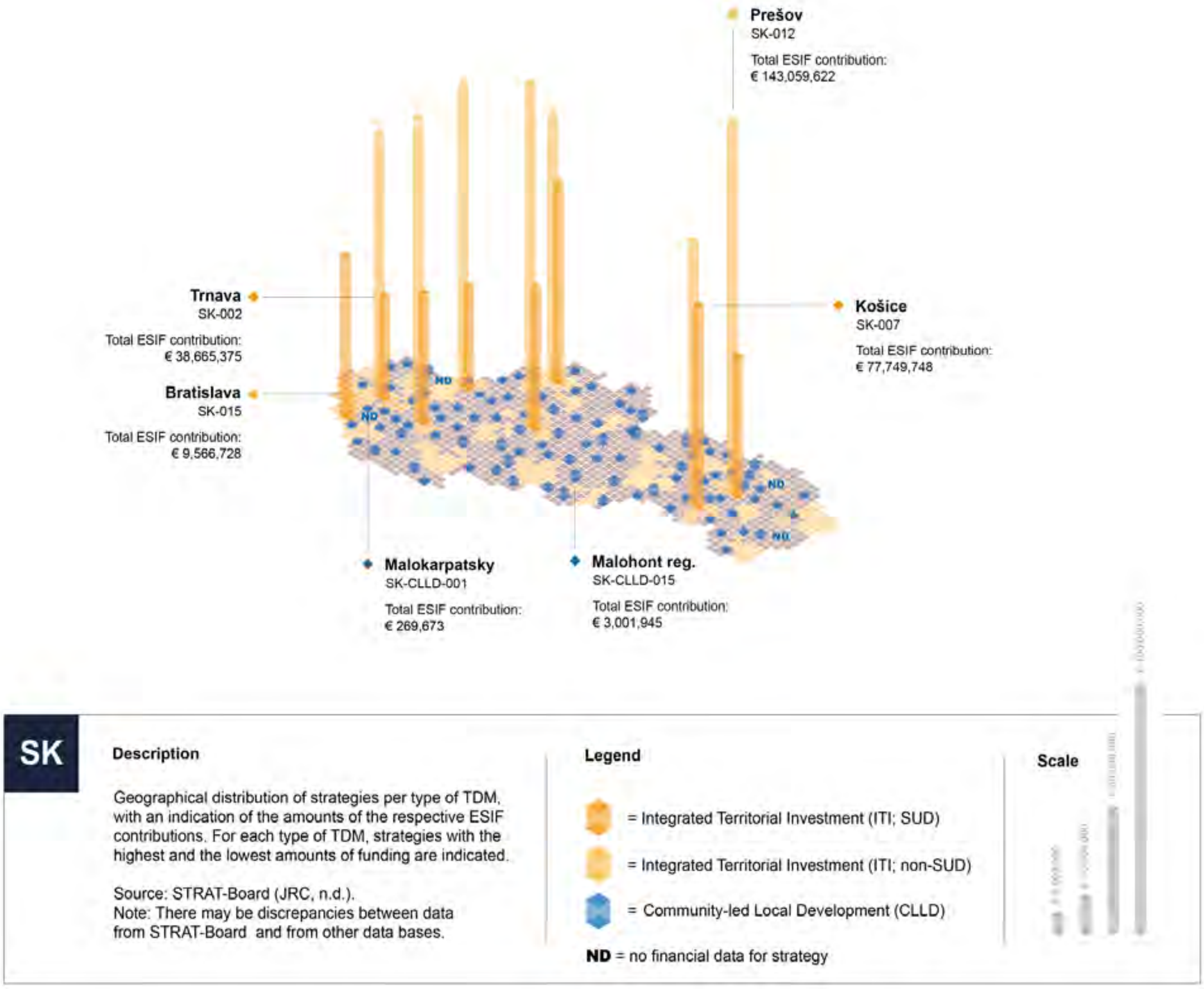
NATIONAL ESIF BUDGET	
EU Contribution (EUR)	€ 16,572,189,599
National Contribution (EUR)	€ 3,951,682,749
Total Contribution (EUR)	€ 20,523,872,348

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	8	ERDF,ESF	6.5%	36%
Integrated Territorial Investment (ITI; non-SUD)	8	ERDF,ESF	10.8%	34%
Community-led Local Development (CLLD)	110	ERDF,ESF, EMFF, EAFRD	1.2%	29%
TOTAL	**126**		**18.5%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

Slovakia's territorial governance operates within a unitary state framework. The country is divided into administrative units known as regions (kraje), each with its own regional government and assembly. Below the regional level are districts (okresy) and municipalities, responsible for local administration. The central government, based in Bratislava, oversees national affairs including defence, foreign policy, and finance. While some regional autonomy exists, significant authority remains with the central government. This unitary system aims to maintain governance consistency while addressing local needs within a unified national framework. Since 2018, Slovakia has implemented a national urban policy, overseen by the Ministry of Transport and Construction. The 'Urban Development Concept 2030' document provides strategic guidance for urban development, highlighting cities' pivotal role in regional development and outlining a roadmap for structural changes within urban areas.

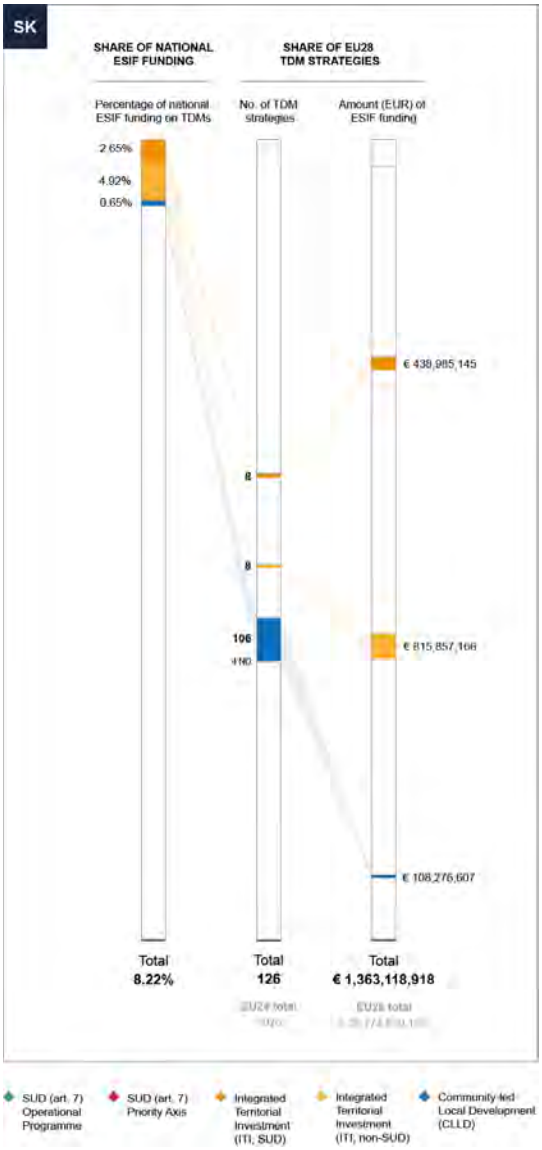
COHESION POLICY CONTEXT

In Slovakia, the management and implementation of EU Cohesion Policy has historically been highly centralised. During the 2014-20 programming period, the Central Coordinating Authority, situated within the Ministry of Investments, Regional Development, and Informatization, oversaw the overall implementation system of EU Cohesion Policy at the national level. The Ministry of Finance acted as the Certifying Authority and Audit Authority for all programmes financed by ERDF, ESF, and CF. Central Ministries managed all programmes, while regions and regional centres served as Intermediate Bodies for the Integrated Regional Operational Programme with limited competences.

Traditionally, the Ministry of Agriculture and Rural Development oversaw the implementation of the Common Agricultural Policy (CAP) in Slovakia, including rural development. The Ministry acted as the Managing Authority for the Rural Development Programme and as the manager for the LEADER/CLLD implementation during 2014-20. The multi-fund approach to LEADER/CLLD was applied for the first time, merging EAFRD (RD Programme) and ERDF (Integrated Regional OP) funding. However, the overall institutional and implementation setup for the LEADER/CLLD did not facilitate closer coordination between funding authorities. In practice, Local Action Groups (LAGs) had to operate under two separate and often inconsistent systems, resulting in implementation delays.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development Integrated Territorial Investment

ERDF was the sole fund supporting SUD ITI strategies in Slovakia. Eight SUD strategies targeted regional capitals and their functional urban areas, forming an integral part of the Regional Integrated Territorial Strategies. Sustainable urban development strategies were developed for eight regional centres: Bratislava, Trnava, Nitra, Trenčín, Banská Bystrica, Žilina, Košice, and Prešov. Initially, urban and territorial strategies were developed separately in each region, later consolidated into a single document called RIUS. The eight local authorities in regional capitals involved in SUD strategies were designated as Intermediate Bodies (IB) and responsible for their implementation and monitoring. Self-governing regional authorities oversaw the implementation and monitoring of territorial RIUS. The Integrated Regional Operational Programme was the primary source of ERDF funding, determining the thematic focus of strategies based on the priority axes of this programme.

Non-Sustainable Urban Development Integrated Territorial Investment

The non-SUD ITI was supported by the integrated territorial strategies developed at NUTS3 level across 8 in regions, supported by ERDF only. Their design was based on the pre-existing development strategies of regions, local authorities and sectoral strategies. They were primarily funded by the Integrated Regional Operational Programme and, therefore, focused on support to transport infrastructure, creative industry, energy efficiency and entrepreneurship, which were the main thematic areas of this programme.

Community-led Local Development (CLLD)

The 110 multi-fund CLLD strategies were implemented throughout Slovakia to support comprehensive development efforts in rural areas, adhering to the requirements for receiving assistance from EAFRD and ERDF. LAGs were eligible for support from these two EU funds to aid in the implementation of activities and operational costs aligned with programme objectives they contributed to (RD Programme or Integrated Regional Operational Programme). Separate systems were established for implementing activities under each fund. The establishment of these CLLD strategies based on existing LEADER LAGs facilitated implementation and monitoring. However, the delivery of CLLD strategies was hampered by lengthy processes at the national level, and the application of different rules for ERDF and EAFRD, along with capacity limitations, impeded fund integration at the project level. Nevertheless, the CLLD strategies provided value by mobilising non-public territorial stakeholders and facilitating EU fund access for under-represented groups.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

A common strategic framework for ITI strategies

SUD ITI and non-SUD ITI strategies in Slovakia were formulated and executed within the common framework for ITI during the 2014-20 period - the Regional Integrated Territorial Strategies (RITS). The collaborative development of these strategies at the regional level served as a platform for engaging national, regional, and local stakeholders, enhancing intervention coordination. Partnership Councils were established for each RITS, comprising relevant actors tasked with implementing the strategy. Furthermore, self-governing regions (overseeing non-SUD ITI) and regional centres (managing SUD ITI) served as Intermediate Bodies for the Integrated Regional Operational Programme, possessing specific implementation competencies.

IN SUM

Territorial Delivery Mechanisms were extensively employed in Slovakia, covering virtually the entire national territory, although only ITI and CLLD strategies were implemented, with the latter having relatively modest budgets. Despite the decentralisation of territorial administration in the country, the implementation of Cohesion Policy remains centralised. The design of ITI strategies was nationally coordinated, limiting the autonomy of sub-national authorities in addressing territorial needs in a locally tailored manner. This limitation was particularly notable for SUD ITIs, although non-SUD ITIs did contribute to achieving objectives outlined in existing regional and local strategies, fostering greater potential for a place-based approach. Despite a somewhat centralised approach, the process of developing and implementing ITI strategies fostered improved cooperation across government levels and more coordinated interventions on the ground. While CLLD strategies had relatively small financial resources, they enhanced local governance by encouraging the involvement of non-state stakeholders.

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COUNTRY FICHE

UNITED KINGDOM [UK]

In the 2014-2020 period, the United Kingdom employed three types of Territorial Delivery Mechanisms, all supported by a combination of the European Regional Development Fund (ERDF) and the European Social Fund (ESF), and implemented in England only. First, 9 Sustainable Urban Development (SUD) strategies were carried out through the Integrated Territorial Investment (ITI) instrument, focusing on urban areas. Additionally, two non-SUD ITI strategies were implemented, each with relatively large budgets. Lastly, 23 Community-Led Local Development (CLLD) strategies were also deployed across England. Overall, roughly 15% of the ERDF allocation for the United Kingdom was dedicated to Territorial Delivery Mechanisms. The financial implementation of these strategies proceeded more slowly compared to mainstream Cohesion Policy funding.

POPULATION	STATE TYPE
65.8 million	Decentralised in the UK, but centralised in England

NATIONAL ESIF BUDGET

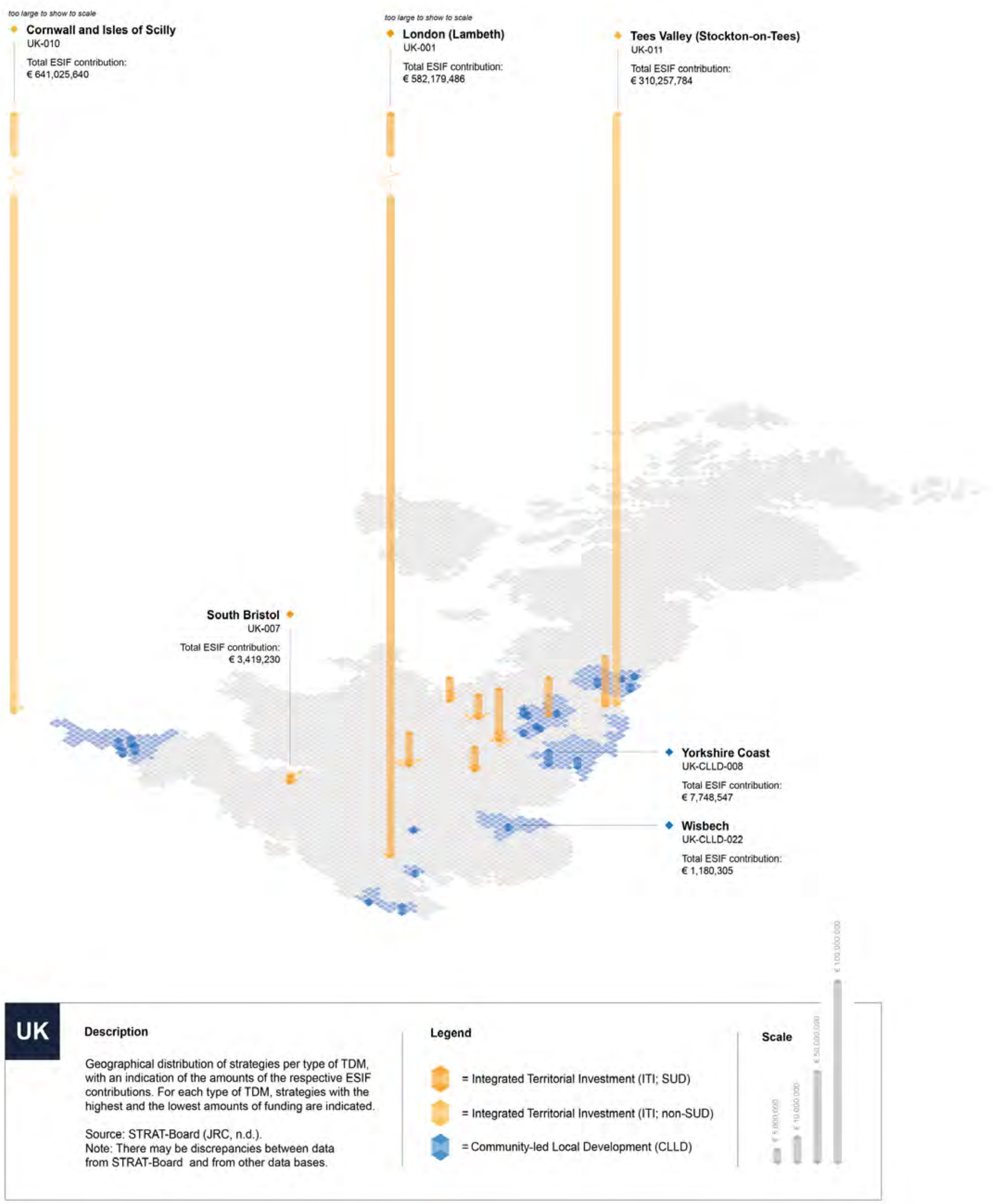
EU Contribution (EUR)	€ 62,763,594,674
National Contribution (EUR)	€ 30,493,749,962
Total Contribution (EUR)	€ 93,257,344,636

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	0	-	-	-
Integrated Territorial Investment (ITI; SUD)	9	ERDF, ESF	3.6%	68%
Integrated Territorial Investment (ITI; non-SUD)	2	ERDF, ESF	10.8%	57%
Community-led Local Development (CLLD)	23	ERDF, ESF	0.5%	55%
TOTAL	**34**	**-**	**15%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

The United Kingdom (UK) is an asymmetrically decentralised unitary state comprising England and three countries with devolved governments: Scotland, Wales, and Northern Ireland. The UK's territorial governance integrates centralised and devolved approaches across these four constituent nations. During the 2014-2020 period, Territorial Delivery Mechanisms (TDMs) were used exclusively in England. England operates under a centralised system, without its own parliament or government, and is governed directly by the UK Parliament in Westminster, London. For statistical and planning purposes, England is divided into nine regions.

Urban policy in the UK during 2014-2020 varied across its constituent countries, each with its own regulatory framework and authorities overseeing urban development. The key piece of legislation from the UK Parliament relevant to urban policy is the 2016 Cities and Local Government Devolution Act, which applies only to England. Despite these regional differences, there is a UK-wide effort to enhance sub-national governance. Each country has key stakeholders in local authority networks, such as the Local Government Association (LGA) in England. Community planning involves citizens through Neighbourhood Plans, and the private sector plays a significant role through Public-Private Partnerships (PPP), notably within the 39 Local Enterprise Partnerships.

Furthermore, City Deals and Growth Deals provide funding and decision-making powers to support urban development. These deals are negotiated between central government and local stakeholders, including Local Authorities and Local Enterprise Partnerships.

COHESION POLICY CONTEXT

During the 2014-2020 period, the implementation of Cohesion Policy varied across England, Scotland, Wales, and Northern Ireland, each operating with its own Operational Programmes (OPs). In England, the Ministry of Housing, Communities and Local Government (MHCLG) — later renamed the Department for Levelling Up, Housing and Communities (DLUHC) — was responsible for managing ERDF funds. The Department for Work and Pensions (DWP) managed ESF funds. Approximately 95 percent of ERDF and ESF funding was allocated at the local level, where Local Enterprise Partnerships played an advisory role in project selection. Scotland, Wales, and Northern Ireland did not utilise Territorial Delivery Mechanisms during this period.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Sustainable Urban Development Integrated Territorial Investment

A total of nine SUD ITI strategies were implemented in England, covering Greater London (the largest in terms of budget) and Core City Regions with populations exceeding 600,000. These included Greater Birmingham and Solihull, Bristol, Leeds, Liverpool, Greater Manchester, Newcastle, Nottingham, and Sheffield. The power of Intermediate Bodies to make decisions varied across these regions. In London, Intermediate Body status enabled the Greater London Authority (GLA) to perform a wide range of functions, including making investment decisions and managing contracts. More limited Intermediate Body (IB) roles were granted in Cornwall, Tees Valley, Manchester, and Liverpool, organised under the framework of 'Devolution Deals', a national initiative aimed at transferring funding and some decision-making powers to local levels through individually-negotiated agreements. These IBs were responsible for determining the local strategic fit of applications.

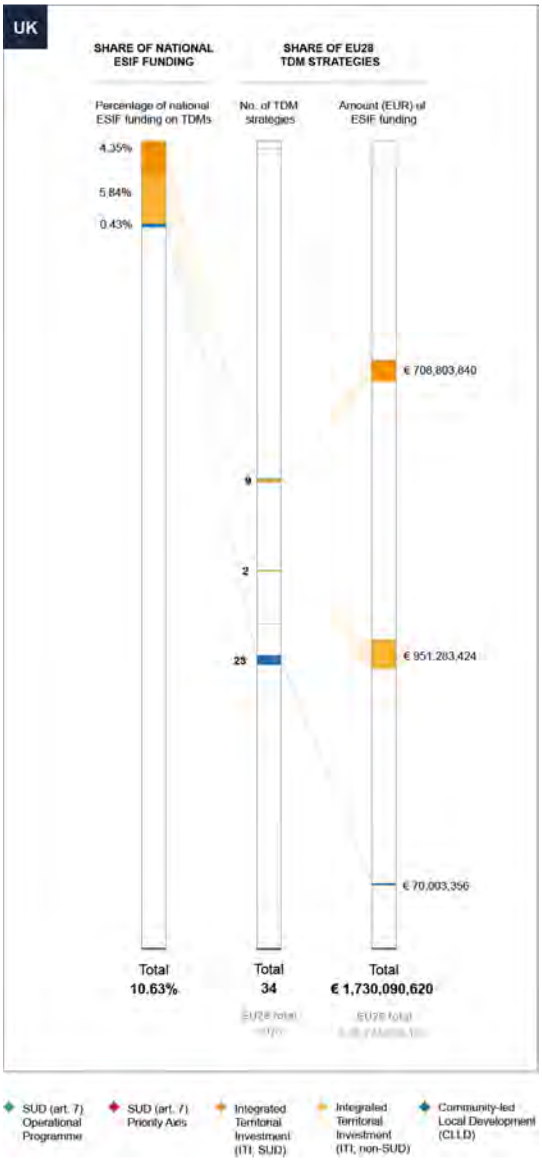
Separate Intermediate Body status was conferred to eight urban areas (with populations of over 600,000) linked to SUD strategies, giving them responsibility for decisions on local strategic fit, as well as providing advice on value for money and deliverability. Each identified SUD area was required to submit a draft Integrated SUD strategy, which was reviewed, negotiated, and approved by the Operational Programme (OP) Managing Authority (MA). By the end of 2018, all strategies were approved and launched, with the relevant authorities established as Intermediate Bodies, tasked with carrying out a limited range of SUD responsibilities delegated by the MA. Throughout 2018, SUD areas issued calls for applications across several thematic priorities, including Urban Regeneration, Low Carbon/Green Growth, Green and Blue Infrastructure, Research and Innovation, and SME Competitiveness.

The GLA has expressed support for greater devolution of governance responsibilities to cities, arguing that spending and programme decisions are better made at the local level. In this context, the ITI mechanism is viewed positively. However, since London already has significant devolved governance powers, the ITI format is not seen as critically important for the city's Cohesion Policy implementation.

Thematically, the English SUD ITI strategies targeted five objectives. The largest share of ERDF resources was allocated to the low-carbon economy (€138 million), followed by support for small and medium-sized enterprises (€54 million) and for research, development, and innovation (€37 million). Smaller ERDF allocations were directed towards environmental protection (€2 million) and the development of information and communication technologies (€2 million).

By the end of 2022, 68% of the allocated ERDF funds had been spent, slightly below the 70% spent under mainstream Cohesion Policy for the same period. The slower progress was partly

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The whole bar represents the total allocation of ESIF for TDMs in the EU28. Please note that STRAT-Board data set is not always complete and correct. There may be discrepancies between it and other data bases.

Non-Sustainable Urban Development Integrated Territorial Investment

Two territorial strategies outside the Sustainable Urban Development (SUD) scope were implemented in England: one in Cornwall and the Isles of Scilly, and the other in the Tees Valley. Both strategies utilised ERDF and ESF to tackle region-specific development challenges.

For Cornwall and the Isles of Scilly (C&IoS), the non-SUD strategy was designed to support operations in this Less Developed Region. The strategy was developed internally by Cornwall Council in collaboration with the C&IoS Local Enterprise Partnership and other regional stakeholders. This approach aimed to create a tailored method for delivering EU funds in the region. The strategic priorities for the C&IoS strategy included focusing on the future economy, supporting businesses, and fostering growth conditions. The main goal of the ITI was to leverage regional strengths in areas such as renewable energy production, research and development, and emerging high-value sectors like digital industries. There was also a strong emphasis on enhancing social inclusion and regional skills.

The Tees Valley ITI was implemented within the context of a Transition Region. It was managed with the involvement of the Tees Valley Combined Authority (TVCA), which acted as the implementing body. TVCA encompasses the municipalities of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland, and Stockton-on-Tees, serving a population of approximately 700,000 people. The strategy covered a broad range of thematic areas.

Thematic focus of the non-SUD strategies in England was broad. The largest allocation was for the development of networks (€276 million), followed by support for the competitiveness of small and medium-sized enterprises (SMEs) (€192 million). Significant funds were also allocated to research and innovation (€85 million) and the development of a low-carbon economy (€94 million). Smaller ERDF allocations were reserved for combating climate change (€16 million), environmental protection (€14 million), and the development of information and communication technologies (€3 million).

In terms of financial implementation, the non-SUD ITI strategies experienced slower progress compared to mainstream Cohesion Policy. By the end of 2022, only 57% of the allocated ERDF funds had been spent.

Community-led Local Development

The English CLLD strategies were implemented in both urban and rural areas, with most being multi-fund, utilising both ERDF and ESF (except for two strategies which were exclusively funded by ESF). The thematic focus was more limited, as all CLLD strategies were centred exclusively on social inclusion. Specifically, they aimed to promote neighbourhood regeneration, social inclusion and innovation, participation, gender equality, employment, skills development, entrepreneurship, and support for SMEs.

Some CLLD strategies were designed to complement other Territorial Delivery Mechanisms. In Cornwall, for instance, a CLLD strategy was deployed alongside the non-SUD ITI strategy. Although the CLLD funding allocation was modest at €7.6 million, its impact was amplified by targeting 70% of the funds at the most socio-economically deprived areas of Cornwall. The remaining 30% was allocated to adjacent 'hinterland' areas .

However, the momentum in CLLD development, namely, in terms of building community capacity, issuing calls, or committing funding, was slower than anticipated. This was due to challenges such as a lack of match funding, weak responses to calls,

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

and the limited experience and capability of grant recipients to manage ESI Funds . The pandemic further disrupted delivery, as many local projects had to shift focus towards meeting immediate Covid-19 community needs, causing delays or interruptions to CLLD activities. It was difficult to regain momentum afterward. To recover, CLLD projects explored several measures, including open calls for new projects, securing alternative match funding streams, and providing grants to meet demand. The MA offered an extension to CLLD projects until 2023, which most accepted.

As with other Territorial Delivery Mechanisms in England, financial implementation of CLLD was slow, lagging behind mainstream Cohesion Policy. By the end of 2022, only 55% of the decided ERDF funding had been spent.

Bespoke governance arrangements for the Cornwall and Isles of Scilly ITI

Although the MAs for England's ERDF and ESF Operational Programmes nominally retained full responsibility for project selection, implementation, and monitoring, in practice, Cornwall Council and other local bodies played a crucial role. They were actively involved in developing project calls and engaging with potential beneficiaries. An ITI Board was established in the region, consisting of local partners and representatives from the voluntary, public, and private sectors. This board served an advisory function to the ERDF and ESF MAs and was responsible for project monitoring. Additionally, Technical Assistance (TA) teams were set up in Cornwall (C&IoS ITI Support Team) and the Isles of Scilly (Technical Assistance Team) to aid local delivery. Uniquely, Cornwall and the Isles of Scilly were represented on the Programme Monitoring Committee for the England ERDF and ESF Operational Programmes (the Growth Programme Board), due to the status as a Less Developed Region (Miller & van der Zwet, 2018).

IN SUM

During the 2014-2020 period, UK used Territorial Delivery Mechanisms extensively albeit only in England. Due to lack of case study research conducted in England as part of this evaluation, it is difficult to draw firm conclusions on the impacts and performance of the English Territorial Delivery Mechanism strategies. What is clear is that England dedicated a substantial share of resources to these strategies. Special governance arrangements were also set up to facilitate the engagmeent of local stakeholders in drafting of the strategies, sometimes with tailor-made solutions. It is also notable that financial implementation as part of the English strategies remained relatively slow due to bureaucratic obstacles and disruptions caused by the Covid-19 pandemic.

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