

Urban related provisions in the proposal for the cohesion policy regulations 2014-2020

***including the changes voted in the REGI and EMPL committees at the EP**

Regulation laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006

{SEC(2011) 1141 final}
{SEC(2011) 1142 final}

Article 2

Definitions

(4) 'programming' means the process of organisation, decision-making and allocation of financial resources in several stages, **with the involvement of partners and in line with the multi-level governance approach in accordance with Article 5**, intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve **the main objectives of the Union through the** strategy for smart, sustainable and inclusive growth;

Article 4

General principles

4. Member States, **at the appropriate territorial levels, in accordance with their institutional, legal and financial framework, and subject to compliance with this Regulation and the Fund specific rules**, and the bodies designated by them for that purpose, shall be responsible for **preparing and** implementing programmes, **in partnership with relevant partners as referred in article 5**, and carrying out their tasks under this Regulation and the Fund-specific rules.

10. The Commission and the Member States shall carry out their respective roles in relation to the Funds **covered by the CPR** with the aim of reducing the administrative burden for beneficiaries, **for national, regional and local public authorities and bodies acting at different levels of administration as managing authorities**.

Article 5

Partnership and multi-level governance

1. For the Partnership Contract and each programme, a Member State shall organise a partnership **by concluding a partnership agreement with the relevant regional and**

local authorities in accordance with Article 4(4). Member States and the respective regional and local authorities shall also cooperate with the following partners:

(a) competent public authorities **other than those referred to in the introductory sentence to this paragraph; and**

(b) economic and social partners;

(c) **relevant** bodies representing civil society, including **inter alia** environmental partners, non-governmental organisations, **among them non-profit organisations promoting social inclusion and those active in the areas of culture, education and youth policy**, and bodies responsible for promoting **gender** equality and non-discrimination;

(ca) churches and religious communities active in the areas of transnational cooperation, education, culture and social inclusion.

2. In accordance with the multi-level governance approach, **and in line with the partnership agreement, as referred to in paragraph 1**, the partners shall be involved by Member States in **all stages of** the preparation of Partnership Contracts and progress reports, **as well as** and in **all stages of** the preparation, implementation, monitoring and evaluation of programmes, **from the earliest stage possible**. The partners shall participate in the monitoring committees for programmes.

Article 11

Content of the Common Strategic Framework

The Common Strategic Framework shall establish:

(b) the key territorial challenges for urban, **peri-urban**, rural, coastal, **mountain** fisheries and **cultural heritage** areas, as well as for areas with particular territorial features referred to in Articles 174 and 349 of the Treaty, to be addressed by the Funds **covered by the CPR**;

Article 14

Content of the Partnership Contract

The Partnership Contract shall set out:

(b) an integrated approach to **sustainable** territorial development supported by the Funds **covered by the CPR** setting out:

(ii) the arrangements to ensure an integrated approach to the use of the Funds **covered by the CPR** for the territorial **sustainable** development of **different types of territories including** urban, **peri-urban**, rural, coastal, fisheries **and cross-border areas, as well as** areas with particular territorial features **such as mountain ranges, islands or very low density areas**, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied **by the list of criteria for the designation of cities or functional urban areas**;

(d) arrangements to ensure effective implementation, including:

(iv) **an indicative list of partners and** the actions taken **by the Member State and the competent regional and local authorities** to involve **those** partners and

their role in the preparation **and implementation** of the Partnership Contract and the progress report as defined in Article 46 of this Regulation, **in accordance with the Code of Conduct**;

Article 15

Adoption and amendment of the Partnership Contract

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than six months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. **Within this timeframe, competent regional and local authorities as referred to in Article 5(1), may notify the Commission, where significant aspects of partnership have been incorrectly implemented in the preparation of the Partnership Contract.** The Partnership Contract shall not enter into force before 1 January 2014.

Article 28

Community-led local development

1. Community-led local development, which is designated as LEADER local development in relation to the EAFRD, shall be:

(a) focused on specific sub-regional territories, **defined by the Member States in accordance with their specific territorial units, after consultation with the relevant partners**;

Article 29

Local development strategies

1. A local development strategy shall contain at least the following elements:

(a) the definition of the area and population covered by the strategy, **depending on the functionality of the respective territories and urban-rural links**;

(c) a description of the strategy and its objectives **with a focus on its** integrated and innovative character and a hierarchy of objectives, including clear and measurable targets for outputs or results. **Special emphasis should be put on strategies for peri-urban areas that include both urban and rural stakeholders.** The strategy shall be coherent with the relevant programmes of **each of the Funds covered by the CPR** involved, **as well as with the relevant strategies of local public authorities**;

Article 32

Financial instruments

3. Contributions in kind are not eligible expenditure in respect of financial instruments, except for contributions of land or real estate in respect of investments with the objective of supporting urban development or urban regeneration, where the land or real estate forms

part of the investment. Such contributions of land or real estate shall be eligible provided that the conditions in Article 59 are met.

(No vote on financial instruments in REGI yet)

Article 84

Resources for Investment for growth and jobs and for European territorial cooperation

7. **XX%** of the ERDF resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban development.

Article 87

Content and adoption of operational programmes under the Investment for growth and jobs goal

1. An operational programme shall consist of priority axes. A priority axis **may** concern **one or more categories of region, or combine one or more complementary investment priorities from different thematic objectives and Funds**, in accordance with the Fund-specific rules.

2. An operational programme shall set out:

(c) the contribution to the integrated approach for territorial development set out in the Partnership Contract, including:

(ii) where appropriate, a planned integrated approach to the territorial development of urban, rural, coastal, **mountain** and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28 and 29; **and the mechanisms contributing to Integrated Territorial Investments ('ITIs');**

(iii) **an indicative list of cities or functional urban areas in accordance with the criteria laid down in subpoint (ii) of Article 14(b)** where integrated actions for sustainable urban development **in accordance with article 7** will be implemented, the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No [ERDF] and the indicative annual allocation of ESF support for integrated actions;

Article 99

Integrated territorial investment

1. Where a **sustainable** urban development strategy or other territorial strategy requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

1a. Where Member States and regions participate in macro-regional and sea basins strategies, ITIs shall be consistent with such strategies. Member States or managing authorities shall ensure that ITIs are coherent with regard to regional sustainable development strategies.

2. The relevant operational programmes shall identify the ITIs planned, **for selection criteria regarding ITIs** and shall set out the indicative financial allocation from each priority axis to each ITI.

3. The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies, **local action groups** or non-governmental organisations, to carry out the management and implementation of an ITI.

4. The Member State or the relevant managing authorities shall ensure that the monitoring system for the operational programme provides for the identification of operations and outputs of a priority axis contributing to an ITI.

(Art 99 is moved to Part 2 of the Regulation and applies to all 5 CSF Funds)

Article 101

Implementation reports for the Investment for growth and jobs goal

3. The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2, together with:

(a) progress in implementation of the integrated approach to territorial development, including **development of territories facing severe demographic and natural handicaps**, sustainable urban development, and community led local development under the operational programme;

Article 110

Determination of co-financing rates

5. The maximum co-financing rate under paragraph 3 at the level of a priority axis shall be increased by **no higher than** ten percentage points, where the whole of a priority axis is delivered through financial instruments, **or territorial instruments supporting** local development (**ITI, JAP, CLLD**).

Annex-I

Common Strategic Framework

1. Horizontal Principles and cross-cutting challenges

1.1 Partnership and multi-level governance

1.1.1 The principle of multi-level governance requires coordinated action carried out in accordance with the principles of subsidiarity and proportionality, and in partnership. It also must take the form of operational and institutionalised cooperation, in particular with regard to the drawing-up and implementation of the Union's policies. Explicit reference to the principle of multi-level governance in this Regulation represents a reinforcement of that principle and provides an added value for cohesion policy itself.

1.1.2 The principle of multi-level governance must be respected in order to facilitate achieving social, economic and territorial cohesion and delivery of the Union's priorities of smart, sustainable and inclusive growth. Member States and regions must therefore make full use of the partnerships established in the framework of the Funds covered by the CPR to ensure better coordination and integration with other Union instruments and policies.

1.1.3 In order to ensure effective multi-level governance Member States and regions must carry out the following actions:

a) implement partnership according to the European code of conduct as referred to in Article 5;

b) establish coordination mechanisms between the different levels of governance in accordance with the respective constitutional powers systems;

c) report regularly on the implementation of partnership.

1.1.4 At all stages of the implementation of the Funds covered by the CPR, partnership must be organised so as to directly involve regional and local authorities in the preparation and eventual revision of Partnership Contracts, and of programmes and also in the preparation, implementation, monitoring and evaluation of those programmes. Social and economic partners, other public authorities, as well as bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting equality and non-discrimination, the cooperation with whom shall follow best practices, must also be involved, where appropriate, by Member States and regional and local authorities, in order to ensure partnership in all phases of policy implementation.

1.2 Sustainable development

1.2.1 The principle of sustainable development, as laid down in Article 3 of the Treaty on European Union (TEU), relates to a concept of progress according to which social, economic and environmental considerations are to be integrated when considering wellbeing and a better quality of life for the present and future generations. National, regional, local and other relevant authorities should identify those projects that will have the biggest impact in terms of achieving the principles of Article 3(TEU) in order to guarantee social, economic and territorial cohesion. Funds covered by the CPR should pay particular attention to regions and undertakings affected by restructuring and relocation processes.

Sustainable development requires also compliance with the environmental acquis.

1.5 Demography

1.5.5 In drawing up their programmes, Member States and regions must take account of the long-term challenges of demographic change. In those regions most affected by demographic change, they must identify measures to:

d) ensure provision of health, social services and long-term care including investment in infrastructure.

1.6 Integrated approach

1.6.4 To fully address the principle of territorial cohesion, the integrated approach to promoting smart, sustainable and inclusive growth needs to reflect the role of

cities, rural areas, fisheries and coastal areas, areas facing specific geographical or demographic problems, and take account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions. It also needs to address urban-rural linkages, in terms of access to affordable, quality infrastructures and services.

1.6.5 When developing their strategies and programmes with a view to identifying the most appropriate interventions, Member States together with regions and local governments must pay particular attention to predominant territorial, structural and institutional features, such as connectivity of the territory in question; employment patterns and labour market structure; cross-border interconnections; potential for more sustainable use of natural resources including renewables; rural-urban linkages biodiversity; the local interdependencies between different sectors; cultural and historical heritage; ageing and demographic shifts; etc.

1.6.7 So as to foster good policies which are tailored to specific regional needs, Member States and regions must further develop an integrated territorial approach to policy design and delivery, taking account of relevant contextual aspects but focusing on the basis of the following central elements:

a) an evaluation of the Europe 2020 development potential, capacity and development challenges and capacity of Member States, regions and local governments and their ability to address them;

b) an evaluation and assessment of implementation of new territorial instruments such as Integrated territorial investments, Joint Action Plans and Community-led local development;

e) design of the multi-level governance arrangements necessary to ensure effective policy delivery;

Regulation on specific provisions concerning the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006

{SEC(2011) 1138}
{SEC(2011) 1139}

(7) Within the framework of sustainable urban development, it is considered necessary to support integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas and to define a procedure to establish the list of cities covered by such actions and the financial allocation set aside for such actions.

(8) Building on the experience and strengths of the integration of measures in the field of sustainable urban development into operational programmes supported by the ERDF during the 2007-2013 period, a further step should be taken at Union level by establishing an urban development platform.

(9) In order to identify or test new solutions to issues relating to sustainable urban development which are of relevance at Union level, the ERDF should support innovative actions in the field of sustainable urban development.

(No vote on recitals in REGI yet)

Article 4

Thematic concentration

2a. Point (aa) of paragraph 1 of this Article shall also apply to capital regions of the Member States referred to in Article 82(3) of Regulation (EU) No [...] /2012 [CPR].

(Thematic concentration for capital regions like for transition region (60% , 22%))

Article 5

Investment priorities

The ERDF shall support the following investment priorities within the thematic objectives set out in Article 9 of Regulation (EU) No [...] /2012 [CPR]:

(4) supporting the shift towards a low-carbon economy in all sectors:

(c) supporting energy efficiency and renewable energy use in ***new and existing*** public infrastructures, ***in particular in public buildings, in historical buildings*** and in the ***public and private*** housing sector;

(e) promoting low-carbon strategies for ***all types of territories, in particular for*** urban areas, ***and promotion of sustainable multi-modal urban mobility;***

(ea) promoting high efficiency cogeneration of heat and power including district heating and cooling and combined heat and sustainable power plants;

(6) protecting the environment and promoting resource efficiency:

(e) action to improve the urban environment, including **revitalisation of cities, in particular of deprived urban neighbourhoods**, regeneration of brownfield sites, **and conversion areas, rehabilitation of contaminated sites and rehabilitation of cultural infrastructure**;

(ea) supporting endogenous growth potential of specific areas by enhancing accessibility to, and use of, specific natural and cultural resources, and by developing sustainable regional and local tourism;

(7) promoting sustainable transport and removing bottlenecks in key network infrastructures:

(b) enhancing regional **and local** mobility **in particular** through connecting secondary and tertiary nodes to TEN-T infrastructure **and multimodal nodes**;

(c) developing **and improving** environment-friendly, **safe, low-noise, renewable energy-based** and low carbon transport systems and promoting sustainable **regional and local** mobility;

(9) promoting social inclusion and combating poverty:

(a) investing in health, **sporting, cultural** and social infrastructure which contribute to national, regional and local development **and to better management of demographic change**, reducing inequalities in terms of health **and social** status, **enhancing cultural opportunities available to all**, and transition from institutional to community **and family**-based services, **and integration of marginalised communities**;

(b) support for physical, economic **and social** regeneration of deprived **communities in urban and rural areas, in particular with regard to the social inclusion of the most deprived groups**;

(ba) ensuring efforts to make the physical environment accessible for disadvantaged groups, in particular supporting the adaptation of housing to meet the requirements of disabled persons and the elderly;

(11) enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.

Article 7

Sustainable urban development

1. The ERDF shall support sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental, climate, **demographic** and social challenges affecting urban areas.

1a. Sustainable urban development shall be undertaken through Integrated Territorial Investments referred to in Article 99 of Regulation (EU) No. [...] /2012 [CPR] or through a specific operational programme, or a specific priority axis in accordance with Article 87(1) of Regulation (EU) No [...] /2012 [CPR].

2. **Taking into account its specific territorial situation**, each Member State shall establish in its Partnership Contract, **as defined in Article 13 of Regulation (EU) No [...] /2012 [CPR]**, a list of **criteria for the selection of functional urban areas or cities** where integrated actions for sustainable urban development are to be implemented and an indicative annual allocation for these actions at national level.

2a. At least 5% of the ERDF resources allocated at national level shall be allocated to integrated actions for sustainable urban development **in functional urban areas including cities and** delegated to cities **or other existing bodies managing functional urban areas** for management **in accordance with Article 113(6)** of Regulation (EU) No [...] /2012 [CPR], **or, where appropriate, in accordance with Article 113(7) of that Regulation. The amount shall be set out in the Partnership Contract.**

2b. The tasks to be delegated to a city, or an existing body managing a functional urban area, shall be agreed between the city and the managing authority or authorities. This delegation shall concern at least the tasks relating to the selection of operations. The managing authority may retain the right to undertake a final verification of eligibility of operations before approval.

2c. Where appropriate, mechanisms for strengthening existing and promoting new urban-rural linkages shall be supported in order to enhance interconnection factors which influence development of each region while assuring the complementarity of the CSF Funds.

Article 8

Urban development platform

2d. The Commission shall promote capacity-building and networking between cities and exchange of experience on urban policy at Union level in areas related to the investment priorities of the ERDF and to sustainable urban development.

2e. The Commission shall use existing programmes and bodies to facilitate the capacity building, networking and exchange of experience as described in paragraph (2d).

~~2. The Commission shall adopt a list of cities to participate in the platform on the basis of the lists established in the Partnership Contracts, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 14(2).~~

~~The list shall contain a maximum number of 300 cities, with a maximum number of 20 per Member State. Cities shall be selected based on the following criteria:~~

~~(a) population, taking account of the specificities of national urban systems;~~

~~(b) the existence of a strategy for integrated actions to tackle the economic, environmental, climate and social challenges affecting urban areas.~~

2f. The **Commission** shall also support networking between all cities which undertake innovative actions at the initiative of the Commission.

(Paragraphs 2d, 2e and 2f will be part of Article 7)

Article 9

Innovative Actions in the field of Sustainable Urban Development

1. At the initiative of the Commission, the ERDF may support innovative actions in the field of sustainable urban development, subject to a ceiling of 0,2% of the total annual ERDF allocation. They shall include studies and pilot projects to identify or test new solutions to issues relating to sustainable urban development which are of relevance at Union level. **The Commission shall ensure the close involvement of urban, rural, peri-urban, local, regional and civil society partners in all stages of the preparation and implementation of those actions;**
2. By derogation to Article 4 above, innovative actions may support all activities necessary to achieve the thematic objectives set out in Article 9 of Regulation (EU) No [...] /2012 [CPR] and corresponding investment priorities.
3. The Commission shall **be empowered to** adopt delegated acts, in accordance with Article 13, **laying down detailed rules on the** procedures for the selection and implementation of innovative actions.

ANNEX

~~Common indicators for ERDF support under the Investment for growth and jobs goal (Article 6)~~

	UNIT	NAME
Urban Development		
	Persons	Population living in areas with integrated urban development strategies
	square metres	New open space in urban areas
	square metres	New public or commercial buildings in urban areas
	square metres	New housing in urban areas

Regulation on the European Social Fund and repealing Regulation (EC) No 1081/2006

{SEC(2011) 1130 final}

{SEC(2011) 1131 final}

(14) The mobilisation of regional and local stakeholders is necessary to deliver the Europe 2020 Strategy and its headline targets. Territorial pacts, local initiatives for employment and social inclusion, **sustainable** community-led local development strategies and sustainable urban **as well as rural** development strategies **should** be used and supported to involve more actively regional and local authorities, cities, social partners and non-governmental organisations in the **programming**, implementation, **monitoring and evaluation** of programmes.

Article 10

Transnational cooperation

1. Member States shall support transnational cooperation with the aim of promoting mutual learning and thereby increasing the effectiveness of policies supported by the ESF. Transnational cooperation shall involve partners, **which may include local and urban authorities**, from at least two Member States.

Article 12

Specific provisions on the treatment of particular territorial features

2. Complementing ERDF interventions as referred to in Article 7 of Regulation (EU) No [ERDF], the ESF may support sustainable urban **and rural** development through strategies setting out integrated actions to tackle the economic, environmental and social challenges affecting urban areas of cities **and rural areas** which are listed in the partnership contract. **To ensure complementarity with the ERDF and to facilitate access to Structural Funds for small NGOs, the ESF may be used as lead fund for integrated social inclusion projects combining social infrastructures and accompanying services in deprived areas.**

Regulation on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal

{SEC(2011) 1138 final}

{SEC(2011) 1139 final}

Article 2

Components of the European territorial cooperation goal

Under the European territorial cooperation goal, the ERDF shall support:

(3) interregional cooperation to reinforce the effectiveness of cohesion policy by promoting:

(b) exchange of experience concerning the identification, transfer and dissemination of good practice on sustainable urban and rural development;

Article 6

Investment priorities

In addition to Article 5 of Regulation (EU) No [...] /2012 [the ERDF Regulation], the ERDF shall support the sharing of human resources, facilities and infrastructures across borders under the different investment priorities, as well as the following investment priorities within the thematic objectives:

(a) under cross-border cooperation:

(iv) promoting legal and administrative cooperation and cooperation between citizens and institutions, **and the role of regional and local authorities, enhancing the civil and social dialogue and crossborder cooperation between administrations, ensuring better access to information and participation in policy making and providing necessary infrastructure** (within the thematic objective of enhancing institutional capacity and an efficient public administration);

(ba) under interregional cooperation:

(i) reinforcing the effectiveness of cohesion policy by encouraging exchange of experience and developing systems for exchange of information between regions, cities and rural areas to enhance design and implementation of operational programmes;

Article 7

Content of cooperation programmes

2. A cooperation programme shall set out:

(c) the contribution to the integrated strategy for territorial development set out in the partnership contract including;

(ii) where appropriate, a planned integrated approach to the territorial development of urban, **suburban**, rural, coastal areas and areas with particular territorial, **as**

referred to in Article 174(3) of TFEU, in particular the implementation arrangements for Articles 28 and 29 of Regulation (EU) No./2012 [CPR];

(iii) where appropriate, the list of **criteria for the selection of cities or functional urban areas**, where integrated actions for sustainable urban development will be implemented; the indicative annual allocation of the ERDF support for these actions **at national level**;

Article 13

Implementation reports

3. The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 44(3) and (4) of Regulation (EU) No [...] /2012 [CPR] respectively and the information set out in paragraph 2 together with:

(a) progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the operational programme;