New territorial development tools in the cohesion policy 2014-2020: integrated territorial investment (ITI) and community-led local development (CLLD)

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The European Parliament adopted by 595 votes to 63, with 13 abstentions, a resolution on the new territorial development tools in cohesion policy 2014-2020: Integrated Territorial Investment (ITI) and Community-Led Local Development (CLLD).

Members recalled that the CLLD and ITI are **innovative instruments** in cohesion policy and that the new ITI and the CLLD initiatives represent step changes in the ability of local stakeholders to combine funding streams and plan well-targeted local initiatives.

- **CLLD** is a new tool for use at sub-regional level. It is based on the LEADER experience of community-led local development and is based on a bottom-up approach: it aims to strengthen synergies between local actors, both public and private.
- **ITI** will help implement integrated territorial strategies as it allows bundling of funding from several priority axes of one or more operational programmes. ITIs can be used for delivering the sustainable urban development objective, but can be also aimed at other types of territory.

General considerations: Parliament noted that **tangible involvement of regional and local actors from the outset**, their commitment and ownership of territorial development strategies and proper delegation of responsibilities and resources to lower levels of decision-making are crucial for the success of the bottom-up approach. However, it stressed that local actors require **technical and financial support** from the regional, national and EU levels, especially in the early stages of the implementation process.

The resolution called for the need to:

- **set out strategies** at the initial stages of the implementation process in collaboration with regional and local actors, particularly at the level of specific and specialist training, and of technical and financial support, in the context of an effective partnership between the regions, Member States and EU;
- **promote the sub-delegation of competences and resources**, within the framework of European Structural and Investment Funds and provide **recommendations and comprehensive guidelines** to Member States on how to overcome the lack of trust and administrative obstacles between the different levels of governance related to the implementation of CLLD and ITI.

Actions taken under these tools, while taking into account the priorities of local actors, need to be **aligned with the overarching objectives of the operational programmes** as well as with other EU, national, regional and local development strategies and smart specialisation strategies, while allowing for margins of flexibility.

Priorities: Parliament recommended that local and regional authorities pay particular attention to projects aimed at adapting localities and regions to the new demographic reality and counteracting the imbalances resulting therefrom, particularly through:

- the adaptation of social and mobility infrastructures to demographic change and migratory flows;
- the creation of specific goods and services aimed at an ageing population;
- support for job opportunities for older people, women and migrants that contribute to social inclusion;
- enhanced digital connections and the creation of platforms that enable and foster the participation and interaction of the citizens of the more isolated regions with the various administrative, social and political services of authorities at all levels (local, regional, national and European).

Moreover, Parliament stressed that **youth unemployment and the SMEs lack of financing** should be addressed in the local and territorial development strategies as one of their priorities.

Members encouraged the Member States to use these instruments on projects to: (i) create high-quality jobs and opportunities for SMEs, (ii) promote investment, sustainable and inclusive growth, and social investment and to (iii) contribute to poverty reduction and social inclusion, especially in those regions and sub-regions where it is most needed. They pointed out in this regard the importance of **integrated funding** , and especially the **combination of ESF and ERDF**. They pointed to the potential of **reinvesting parts of local taxes** in performance-oriented activities and called on the Commission to develop a **special investment strategy**, in line with the Social Investment Package, which could benefit regions with the highest unemployment rates.

The resolution port also stressed that the integration of multiple funds continues to be a **challenge for stakeholders**, particularly in the context of CLLD and ITI. It considered that **simplification** efforts are necessary and it invited the Commission and the Member States to provide **additional support, training and guidance** to smaller and less developed localities which have more limited resources and capacity and for which the administrative burden and complexity related to these tools may be difficult to take on during planning and implementation.

The Commission is urged to implement regulations covering **CLLD and ITI funding** from the European Structural and Investment Funds as a whole in order to strengthen synergies.

Community-led local development (CLLD): Parliament stated that this instrument offers possibilities for urban and peri-urban areas and should be an integral part of wider urban development strategies, including through cross-border cooperation. It encouraged capacity-building, awareness-raising among social and economic partners, as well as civil society stakeholders, and the active participation of those parties, so that as many partners as possible can propose CLLD strategies. It recalled that the ESF Regulation allows for a specific investment priority on ‘community-led local development strategies’ under Thematic Objective 9, and encouraged the Member States to include this in their operational programmes.

The Commission and the Member States are called upon to encourage the **sharing of best practices,** embrace the CLLD initiatives and to provide more flexibility in the operational programmes and in the context of regional, national and EU policy frameworks.

Integrated Territorial Investment (ITI): Parliament stressed that ITI should not be restricted to urban areas only, but may concern geographical areas such as **urban neighbourhoods, metropolitan areas, urban-rural, sub-regional or cross-border**. It considered that ITI also provides for an appropriate structure to tackle territories with poor access to services, and isolated and disadvantaged communities.

Members encouraged the Member States to opt for a **multi-fund approach to ITIs** in order to achieve synergies between the funds in a given territory and to tackle challenges in a more comprehensive manner.

Future recommendations: Members are of the opinion that that CLLD and ITI should **play an even more important role in the future cohesion policy**. They called on the Commission to prepare a report

to analyse the impact and effectiveness of CLLD and ITI and whether a compulsory approach in the post-2020 cohesion policy legislation concerning these instruments would be desirable, providing for earmarking of these instruments in operational programmes.

Parliament also:

- demanded that the bottom-up approach in the context of ITI be **formalised** in the next generation of cohesion policy during the programming as well as the implementation phase;
- encouraged the Commission and the Member States, through coordination with the competent local authorities, to **monitor the use of ITI funds**;
- insisted on improved **coordination** between the Commission, the Member States and the regions with regard to guidance for these tools.

Lastly, the resolution recommended that guidance be developed simultaneously with the proposal on the new cohesion policy legislation for the programming period after 2020.