



INTEGRATED TERRITORIAL INVESTMENT

COHESION POLICY 2014-2020

The European Commission adopted [legislative proposals for cohesion policy for 2014-2020](#) in October 2011

This factsheet is one in a [series highlighting key elements of the future approach](#)

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The multiple challenges confronting Europe – economic, environmental and social – show the need for an integrated and territorial place-based approach to deliver an effective response.

An integrated and territorial approach is multi-dimensional, tailored to place-specific features and outcomes. This may mean going beyond traditional administrative boundaries, and may require greater willingness from different levels of government to co-operate and co-ordinate actions in order to achieve shared goals. This is in line with the new territorial cohesion objective introduced by the Lisbon Treaty, which acknowledges that economic and social cohesion cannot be achieved at the European level without a stronger focus on the territorial impact of EU policies.

For this reason the common provisions proposed by the Commission introduce new integrating tools that can be used to implement territorial strategies on the ground, linking the thematic objectives identified in the Partnership Contracts and Operational Programmes and the territorial dimension: **community-led local development** (Article 28-30 of the proposed Common Provisions regulation) and **integrated territorial investments** (Article 99 of the proposed Common Provisions regulation).

This factsheet is focused on the integrated territorial investments (ITI) that will allow EU Member States to bundle funding from several priority axes of one or more Operational Programmes for the purposes of multi-dimensional and cross-sectoral intervention. The ability to trace the allocation of funds to the various investment priorities will however still be retained.

What is the aim?

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As integrated territorial strategies are vital for the achievement of the smart, sustainable and inclusive Europe envisaged by the Europe 2020 Strategy, the proposed Common Provisions regulation introduces the ITI as a key instrument to implement such strategies. The Commission's proposal provides a flexible mechanism for formulating integrated responses to diverse territorial needs, without losing the thematic focus through which cohesion policy is linked to the Europe 2020 Strategy.

What is proposed?

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ITI – an efficient and flexible tool

ITI is a tool to implement territorial strategies in an integrated way. It is not an operation, nor a sub-priority of an Operational Programme. Instead, ITI allows Member States to implement Operational Programmes in a cross-cutting way and to draw on funding from several priority axes of one or more Operational Programmes to ensure the implementation of an integrated strategy for a specific territory. As such, the existence of ITI will both provide flexibility for Member States regarding the design of Operational Programmes, and enable the efficient implementation of integrated actions through simplified financing.

It is important to underline that ITIs can only be effectively used if the specific geographical area concerned has an integrated, cross-sectoral territorial strategy.

The key elements of an ITI are:

- a designated territory and an integrated territorial development strategy;
- a package of actions to be implemented; and
- governance arrangements to manage the ITI.

» **A designated territory and an integrated territorial development strategy**

It is essential to develop a cross-sectoral integrated development strategy that addresses the development needs of the area concerned. The strategy shall be designed in a way that the actions can build on the synergies produced by coordinated implementation.

Any geographical area with particular territorial features can be the subject of an ITI, ranging from specific urban neighbourhoods with multiple deprivations to the urban, metropolitan, urban-rural, sub-regional, or inter-regional levels. An ITI can also deliver integrated actions in detached geographical units with similar characteristics within a region (e.g. a network of small or medium-sized cities). It is not compulsory for an ITI to cover the whole territory of an administrative unit.

In addition, an ITI is suited to the delivery of actions in the context of European territorial cooperation (ETC). For example, ITIs in a cross-border context can be used to implement an integrated strategy for urban development in cross-border cities. The actions tailor-made to the specific territorial needs can be supported through the ITI instrument. However, the cooperation context still needs to be respected. This is why the ETC regulation requires that any intermediate body designated for the implementation of an ITI must be 'set up by public authorities from at least two participating countries' (Article 10 of ETC regulation).

» **A package of actions to be implemented**

The actions to be implemented through ITI shall contribute to the thematic objectives of the relevant priority axes of the participating Operational Programme(s), as well as the development objectives of the territorial strategy. They can be financed by the European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund, but it is not compulsory to combine all Funds in each ITI. Nevertheless, it is encouraged that ITI combine ERDF and ESF as the integrated approach requires that soft investments be linked to the investment in physical infrastructure. This is particularly relevant in the case of sustainable urban development.

An ITI can deliver support not only in the form of grants but also through financial instruments (Article 32-40 of the proposed Common Provisions regulation) where they are appropriate to deliver actions defined in the development strategy.

Community-led local development (CLLD – Articles 28-30 of the proposed Common Provisions regulation) may be an element that can be used as one of the building blocks to implement an ITI. There are, however, important differences between an ITI and CLLD. CLLD is a strictly bottom-up approach. It is the local action group that determines the content of the local development strategy and the operations financed under it. The ITI on the other hand does not prejudge how decisions are taken on the investments themselves – this process may be top down, or bottom up, or a combination of the two. As such, CLLD could, for example, be one component of an integrated urban strategy implemented through an ITI.

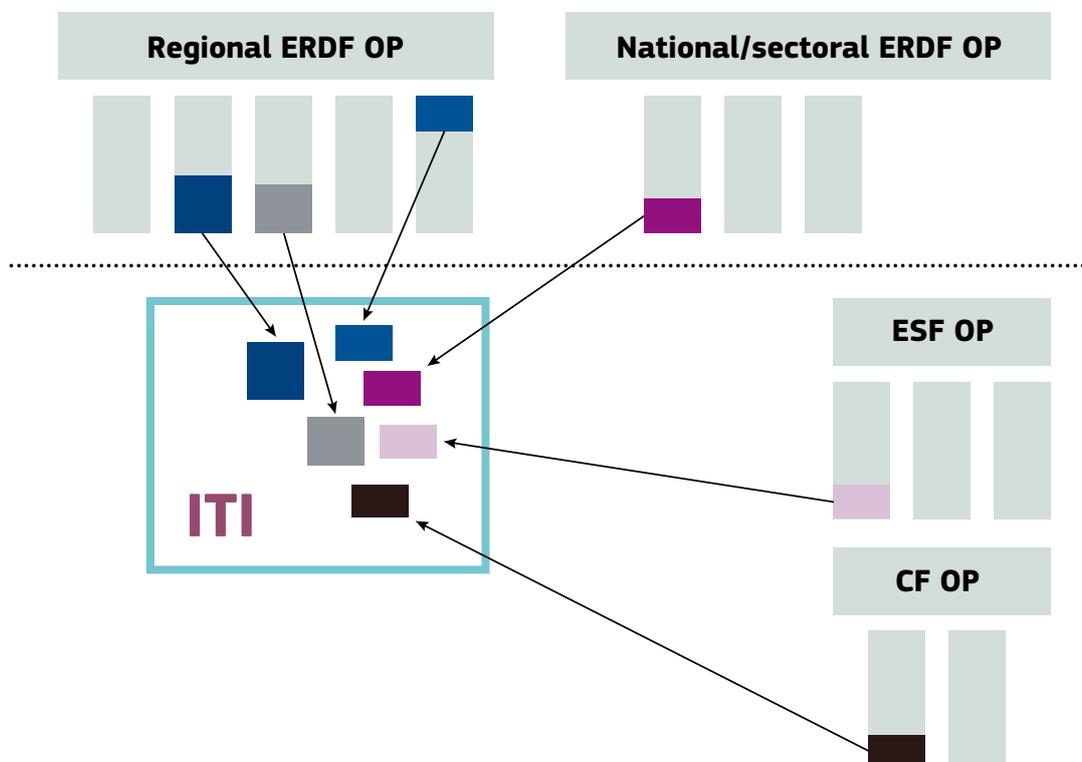
Apart from investments supporting a place-based development strategy through an ITI, additional actions targeting the same area can be financed through the priority axes of an Operational Programme or Programmes that do not participate in the financing of the ITI. Many of the investment priorities in the proposal may directly contribute to the development of the geographical area concerned and there is no obligation to implement all of them through this instrument. It is recommended, however, that sectoral investments in the area concerned are embedded and aligned with the integrated territorial strategies for development.

» **Governance arrangements to manage the ITI**

The Managing Authority of the Operational Programme bears the final responsibility for managing and implementing the operations of an ITI. However, it may designate intermediary bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out some or all of the management and implementation tasks. The form and degree of the ITI management delegation may vary according to the administrative arrangements of the Member State or region.

The following diagram sets out how an ITI could receive bundled funding from several priority axes of one or more programmes for the purposes of a multi-dimensional and cross-sectoral intervention. An ITI can support any operation corresponding to the investment priorities of the participating priority axes.

Illustration of the construction of an ITI



Member States should indicate in their Partnership Contracts the arrangements for the use of ITIs.

What are the benefits?

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The Commission's proposals regarding ITI have several potential benefits:

- » The ITI as an instrument promoting the integrated use of Funds has the potential to lead to a better aggregate outcome for the same amount of public investment.
- » Delegation of management of ITIs will empower the sub-regional actors (local/urban stakeholders) by ensuring their involvement in programme preparation and implementation.
- » As an ITI will have its various funding streams secured at its inception, there will be greater certainty regarding the funding for integrated actions.
- » ITI are an instrument designed for a place-based approach to development that can assist in unlocking the under-utilised potential contained at local, city and regional levels.