

Croatian approach to territorial development in the Partnership Agreement for the period 2014-2020

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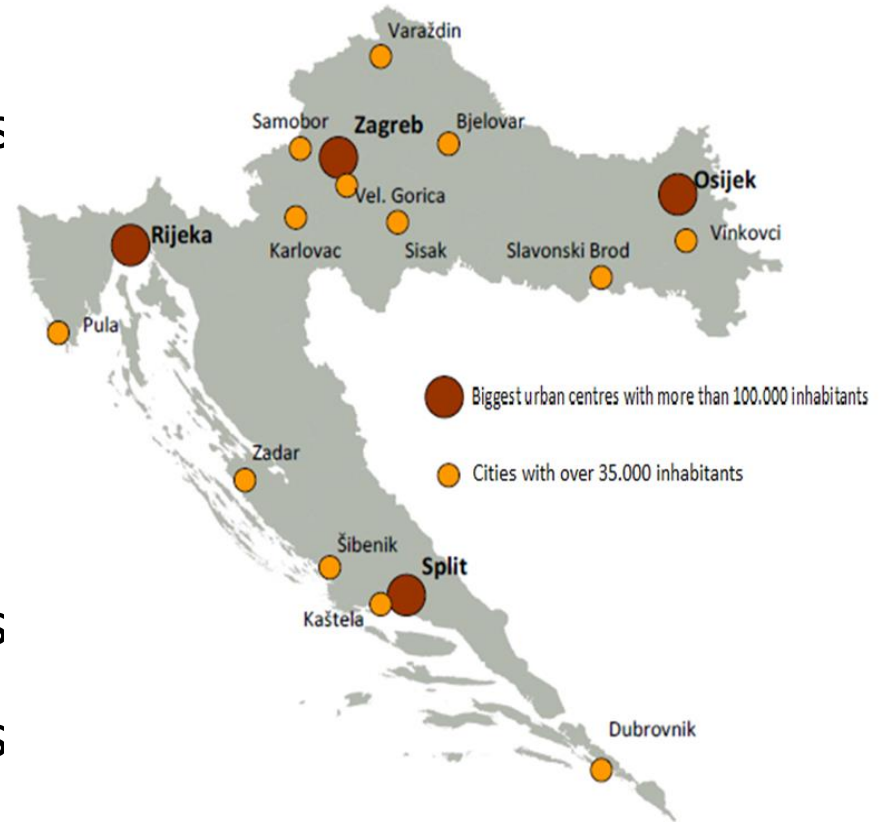
This event is co-funded by the European Union.

Territorial disparities and supported areas

- Significant regional development differences are present; Croatia is ranked at 8th place among EU-28 according to GDP p/c level of dispersion at NUTS 3 level
- Since the crisis broke out in 2009 regional disparities have started to increase again
- Main capital is Zagreb with 18,5% of tot. popul. and 34% of total GDP
- The legislative framework recognises three specific territories under government support:
 - less developed areas lagging behind the average more than 25% according to the „development index” (23% of tot. population, 53% of tot. surface)
 - Islands (2,9% of tot. population, 6% of tot. surface)
 - hilly and mountainous areas (4,7% of tot. pop., 10,5% of tot. surface)

Urban areas in Croatia

- Cities have been identified as areas with concentration of challenges and potentials ⇒ a special place in the EU Cohesion Policy 2014-2020
- 4 urban agglomerations and several larger urban areas with typical urban challenges
- Range of smaller urban areas – centers of rural areas



Integrated territorial investments (ITI) for sustainable urban development

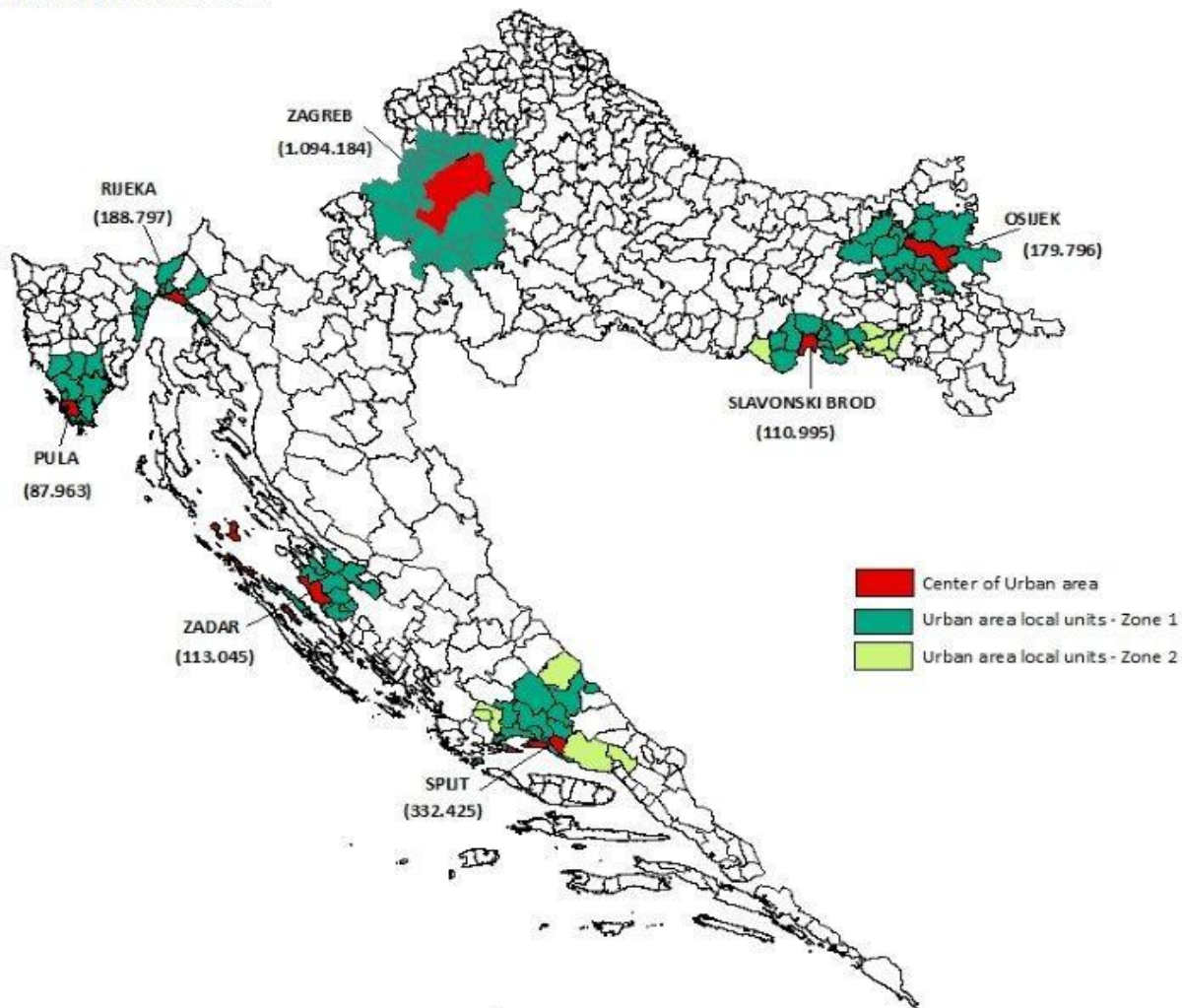
- ITI - new mechanism for period 2014-2020
- In accordance with ERDF Regulation at least 5 % of ERDF allocation from the objective „Investments from growth and jobs” should be invested in sustainable urban development
- **The basis for the implementation are strategies** that provide integrated measures to deal with economic, environmental, climate, demographic and social challenges affecting urban areas, while taking into account the need for promotion of urban-rural relations
- **Strategies are a comprehensive document - Integrated territorial investments from ESI funds make only one part of investments foreseen for the cities**
- Cities, sub-regional or local authorities in charge for the implementation of **sustainable urban strategies** („local authorities”) are responsible for tasks which at least relate to the **selection of operations**

Integrated territorial investments for sustainable urban development – selection of cities

Integrated territorial investments for sustainable urban development is based on:

- concentration on a smaller number of larger cities with necessary capacities (financial, human...) for successful implementation of the new mechanism
- candidacy procedure – competitive process to motivate cities to invest necessary resources into preparation
- planning interventions in integrated territorial and thematic manner and with strong partnership approach

Potential ITI territories



Integrated territorial investments for sustainable urban development - identified challenges

Key challenges were identified through questionnaire on sustainable urban development and direct communication with cities:

- Impact of the crisis on employment, particularly high youth unemployment rate
- Need for more rational use of existing resources
- Concentration of economic, demographic and social challenges requires integrated interventions particularly through careful implementation of hard infrastructure projects with soft projects and measures

Allocations and activities for integrated territorial investments for sustainable urban development - indicatively listed in the programming documents

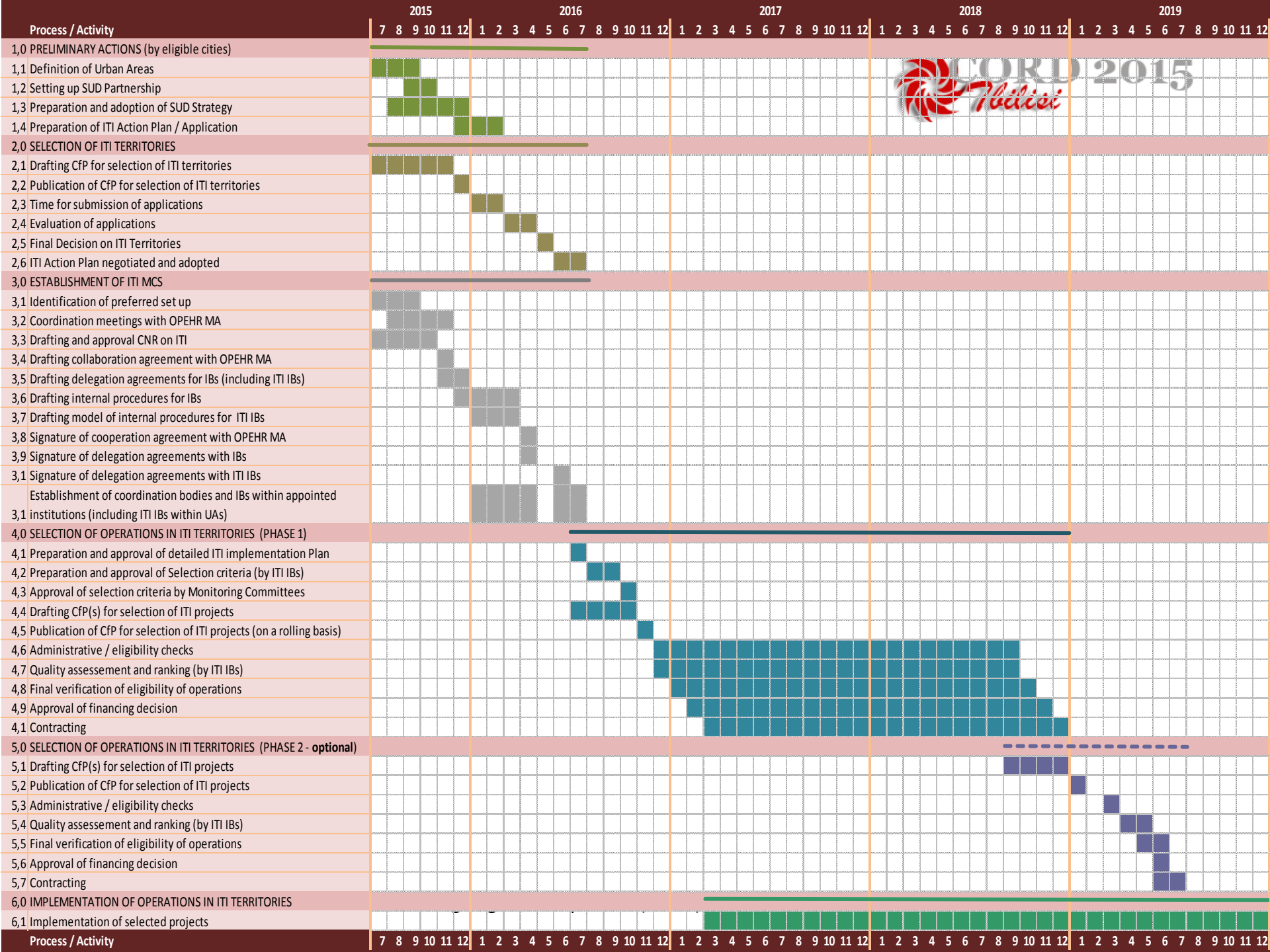
- 345 MEUR from various Funds (ERDF, ESF, CF) plus at least 345 MEUR from urban areas to finance interventions

Integrated territorial investments for sustainable urban development – supported actions

Thematic scope	Thematic objective and fund	Specific objective	Agreed allocation
Progressive cities	TO3 (ERDF)	3a2 Enabling favorable environment for business creation and development	60 MEUR
	TO10 (ESF)	10iii3 Improving quality and relevance of adult education system and upgrade skills and competences of adult learners 10iv1 Modernization of VET provision and raising its quality in order to increase employability of students as well as possibility for further education	5 MEUR
Clean cities	TO4 (ERDF)	4c3 Improvement of the efficiency of the district heating system	80 MEUR
	TO6 (ERDF)	6c1 Increasing employment and tourist expenditure through enhancing cultural heritage 6e2 Rehabilitation of brownfields (ex-industrial and / or ex-military sites)	113 MEUR
	TO7 (CF)	7ii2 To increase the number of transported passengers in urban public transport	50 MEUR
Inclusive cities	TO8 (ESF)	8ii1 Increase employment and rapid integration of NEETs into the labor market	17 MEUR
	TO9 (ESF)	9i1 Combating poverty and social exclusion by promoting labor market and social integration of the vulnerable groups, and combating any form of discrimination 9iv2 Improving access to high-quality social services, including support to the shift from institutional to community care	20 MEUR

Current state of play

- Six out of seven urban areas have completed agreements between included local units to jointly prepare „Urban area development strategy” and have initiated its preparation
- Ministry of Regional Development and EU funds (MRDEUF) has prepared Guidelines for elaboration of strategies
- Selection process for first 4 urban areas to apply ITI will be based on the quality of strategies (with special reference to assessment of designation of integrated territorial development approach), quality of partnership and implementation capacity
- MRDEUF is providing guidance and support through the whole preparatory phase



Future of integrated territorial approach in Croatia

- Integrated approach to territorial / regional development on the basis of strategic documents is not a new mechanism for Croatia – it has been applied in the context wider than EU Funds
- New is that we have secured financial means for next 7 years to implement the interventions and that we will for the first time empower the major urban areas to select their priority interventions funded from central level by themselves
- Main goals for the future:
 - Ensure that cities understand their role as drivers of development of wider areas
 - Ensure strong coordination, monitoring and support from central level
 - Ensure networking and exchange of practices between local units from early phase
 - Invest sufficient time and funds in preparation of „packages of projects” covering limited number of areas of most significant needs and potential and with expected synergy effects
- If planned integrated territorial approach shows success and brings added value it could become much more significant tool for the next financial perspective in terms of level of funding

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Thank you!