



EU4Good Governance

Levelling up: The Role of Albanian Municipalities in EU integration

Role of Local Governments in Territorial Development

A close-up photograph of a hand holding the bottom corner of a European Union flag. The flag is blue with yellow stars and is waving in the wind. The background is a blurred green landscape.

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REGIO D1*

Tirana, 13 November 2025

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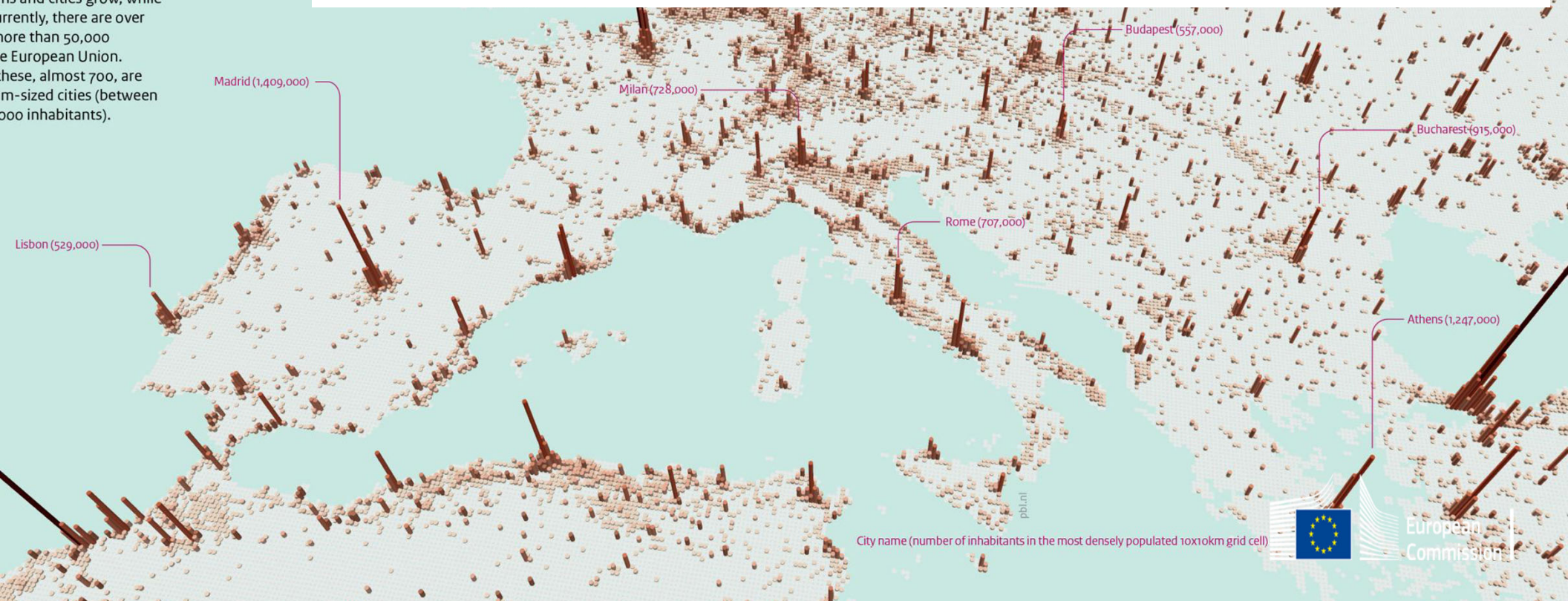
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Reinforced urban dimension of cohesion policy, why?

72% of Europeans live in cities



In cities, opportunities and challenges meet



Hubs of innovation and economic growth, better infrastructure, and greater access to services



Overcrowding, environmental degradation, social inequality, and strain on public services

1 Reinforced urban dimension and territorial development of the cohesion policy 2021-2027



The Urban Dimension of cohesion policy 2021-2027

- Reinforced urban dimension, through :
 - **ERDF Art. 11 – Sustainable Urban Development :**
 - 8% of the national ERDF allocation
 - Directed towards integrated territorial development strategies focused on urban areas, to more effectively tackle the economic, environmental, climate, demographic and social challenges affecting urban areas, with specific attention to green and digital transition and functional urban areas
 - **Policy Objective 5 ‘A Europe Closer to citizens’**
 - Dedicated Specific objective 5.1 - Foster economic, social, and environmental sustainability and resilience in the urban context
 - cross-cutting territorial policy objective
 - Integrated approach, wide coverage of thematic areas

Cohesion policy strengthens the urban dimension

- Cohesion policy dedicates one of its five objectives to integrated urban and territorial development. This “Europe closer to citizens” objective emphasises community involvement and a place-based approach.
- The European Urban Initiative, which is part of cohesion policy, supports urban capacity building, innovation, knowledge sharing, and policy development.
- And the Urban Agenda fosters multi-level cooperation among cities, Member States, EU institutions, and stakeholders, ensuring urban areas are considered in all policies.
- Partnerships under the Urban Agenda promote particularly equal collaboration across governance levels, reinforcing urban policy impact and contributing to the dedicated policy objective for urban and territorial development.

Minimum requirements for investments in integrated territorial development



European
Commission

Handbook of Sustainable Urban Development Strategies

Available online: <https://urban.jrc.ec.europa.eu/#/en/urbanstrategies>

European Urban Initiative

Overall objectives

- **Strengthen integrated and participatory approach** to sustainable urban development
- **Provide stronger link to EU policies**, in particular to Cohesion Policy
- **Ambition:** provide more coherent support to cities by interconnecting manifold initiatives, tools and instruments in support of cities under Cohesion Policy

Beneficiaries

- **Support to cities of all sizes** including small & medium-sized and large cities, functional urban areas; shall support Urban Agenda for the EU; upon request of Member States, support for inter-governmental cooperation on urban matters

Two strands for activities:

A. Support of Innovative Actions

B. Support of Capacity and Knowledge Building, Territorial Impact Assessments, Policy Development and Communication

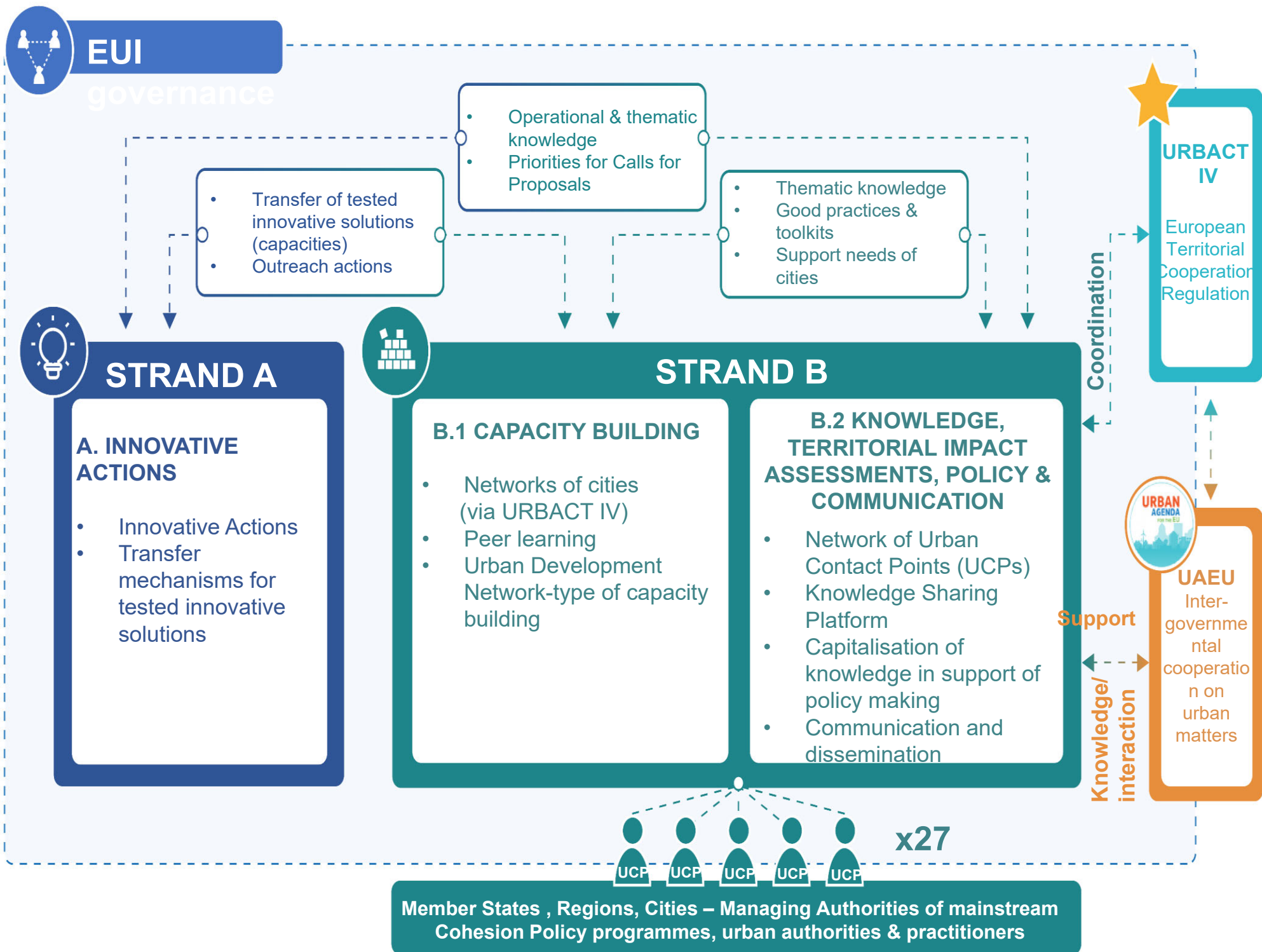
**ERDF budget:
EUR 450 million***

**In current prices*



EUI

The Capacity Building Offer for MS

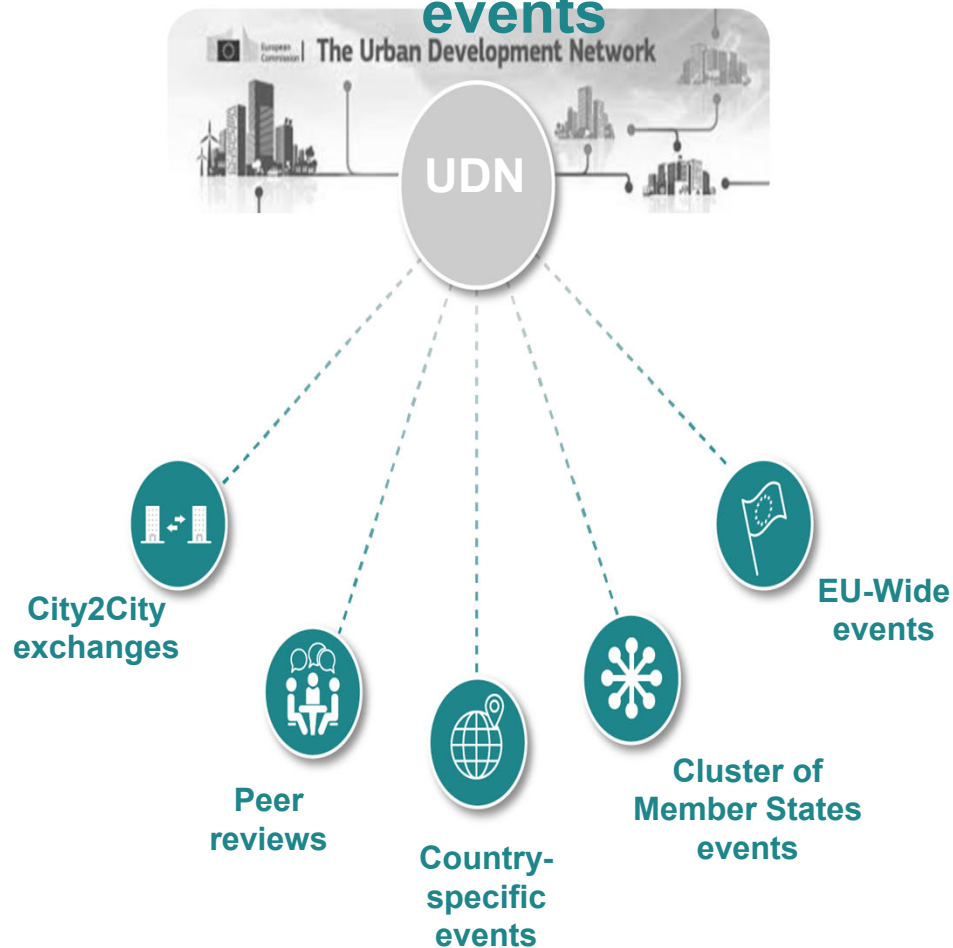


Strand B. 1 — Capacity building

URBACT IV Networks of cities



Peer learning exchanges and events

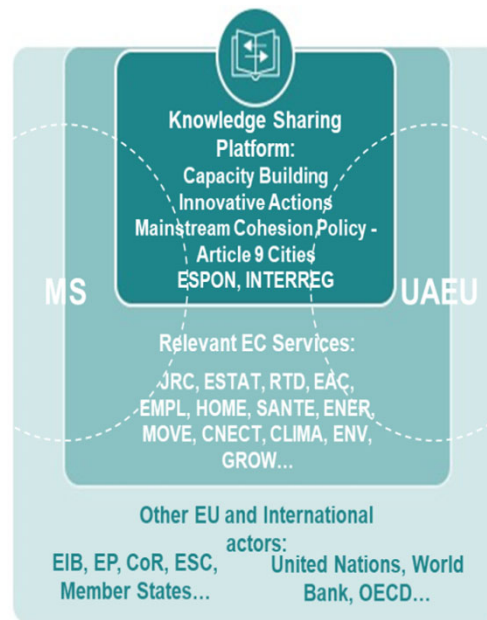


Strand B.2 — Knowledge, Territorial Impact Assessment, Policy Development and Communication

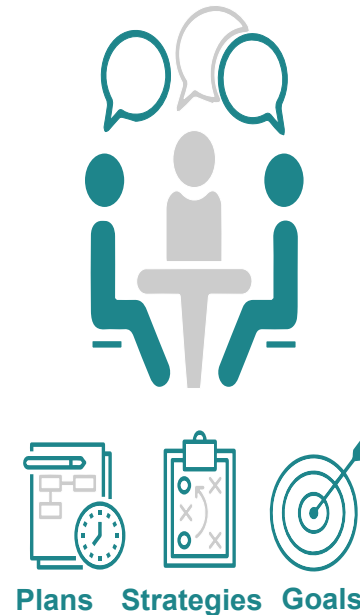
National Contacts Points (NCPs)



Knowledge sharing platform



Capitalisation: Policy Labs – Reviews for Policy



Communication & dissemination



Cities Forum



2 In general, decentralization can contribute to GDP growth and better governance considering citizen needs



Territorial development builds national strength and cohesion

- OECD Ministerial Meeting on Regional Development Policy, held in Warsaw, Poland, on 19-20 May:
 - **Jan Szyszko, Deputy Minister at the Ministry of Development Funds and Regional Policy:** *“Decentralisation in Poland has led to significant improvements in regional development by empowering local governments to make investment decisions that best suit their communities”.*
 - **Jim McMahon, Minister for Local Government and English Devolution at the UK’s Ministry of Housing, Communities and Local Government:** *He highlighted the importance of co-produced national plans, aligned funding, and empowering local leaders to ensure communities tangibly feel the impact of growth strategies.*
- Further [advocacy videos](#) from senior government representatives and key speakers at the OECD Ministerial Meeting on 19-20 May 2025.

Making decentralisation work: OECD handbook for policy-makers

1. Guideline 1: Clarify the **responsibilities** assigned to different government levels
2. Guideline 2: Ensure that all responsibilities are sufficiently **funded**.
3. Guideline 3: Strengthen **subnational fiscal autonomy** to enhance accountability.
4. Guideline 4: Support **subnational capacity building**.
5. Guideline 5: Build adequate **co-ordination mechanisms** among levels of government.
6. Guideline 6: Support **cross-jurisdictional cooperation**.
7. Guideline 7: Strengthen **innovative and experimental governance**, and promote citizen engagement.
8. Guideline 8: Allow for and make the most of **asymmetric decentralisation** arrangements.
9. Guideline 9: Consistently improve **transparency**, enhance data collection and strengthen performance monitoring.
10. Guideline 10: Strengthen **national regional development policies and equalisation systems**.

3

First results of the integrated territorial development



First figures on Policy Objective 5 and SUD

PO5

- **24 MS** have mobilized **Policy Objective 5** to support place based investments embedded in subnational integrated territorial development strategies with enhanced ownership and participation of local stakeholders and communities.
- **A total of 19.3 billion euros** have been programmed in PO5, which corresponds to the **9.4% of the total ERDF allocations**. The highest allocations of PO5 correspond to **HU, PL and IT**.
- **€12.6 billion** of ERDF contribution within **urban areas** and some **€6.6 billion** of ERDF contribution to investments in **non-urban territories**.

SUD

- The support to **sustainable urban development** strategies as required in Article 11 of the ERDF regulation represents **EUR 24 billion (11.2 %)** of the total ERDF budget, effectively exceeding the minimum threshold of 8% of the ERDF resources at national level set by the ERDF regulation.
- Increased attention to **small urban areas** and to tackling **urban-rural linkages** through the use of **Functional Urban Area approach**.
- Besides **PO5, PO2 and PO4** are the most popular policy objectives for SUD
- **Integrated Territorial Investment** is the most used territorial tool to deliver SUD followed by **other (national) territorial tools**.

Territorial tools

ITI

- **19 MSs will use ITI** in mostly in Functional urban areas, but also in cities and urban neighbourhoods. ITIs also support rural areas, mountains, island and territories affected by population decline.
- ITIs are evenly used to implement integrated territorial **development in both urban and non-urban areas.**

CLLD

- **CLLD** strategies in **12 MS** will dedicate more than **€1.6 billion of ERDF** to bottom -up investments.
- **CLLD is mostly used in the rural context**, with the exception of FR, DE, LT, NL, PL and RO which will use it in the **urban context**

OTT

- **Other territorial Tools** have been chosen by **19 MS** with a total allocation of more than **€16 billion.**
- Other territorial Tools are used **both in the urban and rural contexts.**



‘New European Bauhaus’ place-based initiatives





The Urban Agenda as an entry point

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The Urban Agenda for the EU

1. The UA is boosting the role of cities in national and EU policy :

- to better connect the EU with citizens' needs



2. Based on an integrated and stakeholder-led approach, it supports :

- Better Regulation,
- Better Funding
- and Better Knowledge.



3. It strengthens urban policy in the EU and contributes to the UN New Urban Agenda and to the Sustainable Development Goals.



UAEU - The 14 Partnerships



1. The 14 thematic Partnerships are the **key delivery mechanism** within the UAEU.
2. Each Partnership establishes their **priorities & objectives**, each developing an **Action Plan** which goes through a consultation process before it's finalisation. All the 14 Partnerships have a finalised Action Plan.

Conclusions

Key documents of the UAEU:



A woman with long brown hair, wearing a black sleeveless top, black leather pants, and black boots, is posing against a bright yellow wooden plank wall. She is holding a purple umbrella with her right arm extended upwards. Her left leg is kicked out to the side, and her left arm is extended outwards. The text "Any Questions?" is written in white, bold, sans-serif font to the right of the woman.

Any Questions?

#ThisistheEU

#ThisIsTheEU



The EU is built
on solidarity

Thank you

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- Pictures, source: Unsplash

