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COUNTRY FICHE

FRANCE [FR]

Since 2014, the responsibility for managing European Structural and Investment Funds (ESIF) has been in the hands of Regional Authorities. The General Commission for Territorial Equality (CGET) oversaw the coordination and delivery of these funds, as well as the monitoring of the 2014-2020 Partnership Agreement. During the 2014-2020 programming period, French regions with their own Operational Programmes (OPs) could choose to implement Sustainable Urban Development (SUD) strategies either through an OP Priority Axis or via the Integrated Territorial Investment (ITI) instrument. SUD strategies were integrated into the broader national urban policy and coordinated with City Contracts. A total of 248 Sustainable Urban Development strategies were implemented across 18 regions, including 151 strategies via a priority axis (SUD PrAx) and 77 through ITI. Additionally, 20 non-SUD ITIs were implemented, covering various territories, but exclusively in the region of Brittany.

POPULATION	STATE TYPE
67.97 million	Decentralised

NATIONAL ESIF BUDGET

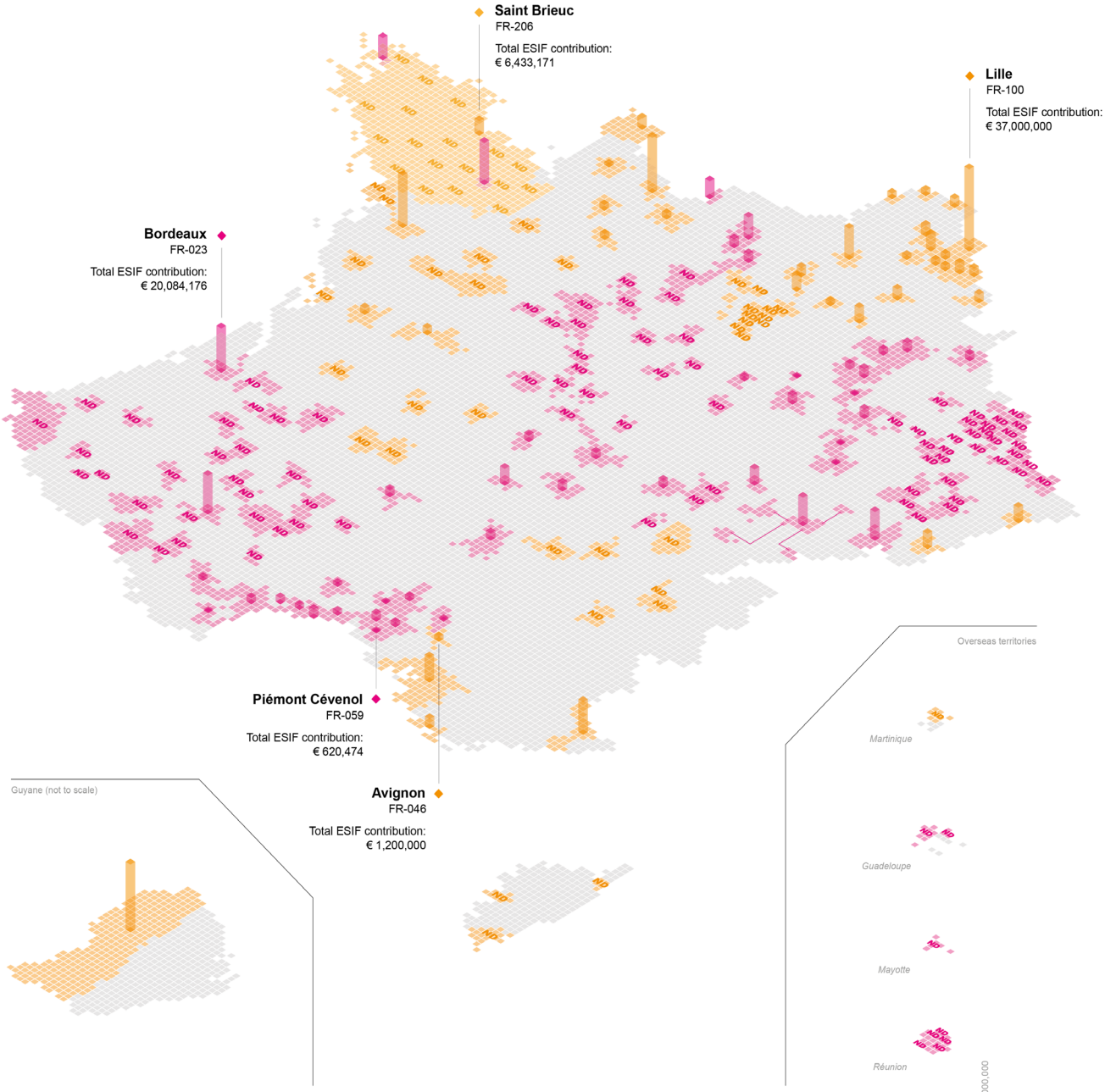
EU Contribution (EUR)	€ 36,556,410,687
National Contribution (EUR)	€ 4,933,068,771
Total Contribution (EUR)	€ 41,489,479,458

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation[2]	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	151	ERDF	2.2%	89%
Integrated Territorial Investment (ITI; SUD)	77	ERDF, ESF	4.4%	59%
Integrated Territorial Investment (ITI; non-SUD)	20	ERDF, ESF, EAFRD, EMFF	0.6%	77%
Community-led Local Development (CLLD)	0	-	-	-
TOTAL	**248**	**-**	**7.1%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1. Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

France is a unitary state with a decentralised structure, comprising three levels of territorial administration: Regions (régions), Departments (départements), and Municipalities (communes). Although these entities do not possess legislative powers, they perform their roles through regulations in certain areas and by managing their budgets. A 2015 reform (Loi NOTRe - Nouvelle organisation territoriale de la République) reduced and strengthened the regional administrative units, increasing their responsibilities. As a result, France now has 18 Regions, including 13

Metropolitan Regions and 5 Overseas Regions (CoR, n.d.).
The General Commission for Territorial Equality (CGET, Commissariat général à l'égalité des territoires) was a national agency under the Prime Minister that advised and assisted the government in creating and executing the French City Policy (Politique de la ville), which focused on revitalising priority neighbourhoods (quartiers prioritaires). The primary instruments for implementing the City Policy were City Contracts, implemented from 2015 to 2020. These contracts were centred around three main objectives: boosting economic activities and employment, enhancing social cohesion, and improving living conditions and urban renewal.
The CGET incorporated monitoring and evaluation mechanisms within the City Contracts. The National Observatory for City Policy (Observatoire national de la Politique de la ville - ONPV) was responsible for tracking the progress of priority neighbourhoods. In 2015, the territorial reform reduced the number of administrative regions in France, impacting urban development policies and governance. This reform also affected the structure of urban agglomerations involved in Sustainable Urban Development (SUD) strategies.
Since 2020, the Ministry for Ecological Transition and Territorial Cohesion has relied on a specialised agency, the National Agency for Territorial Cohesion (Agence nationale de la cohésion des territoires - ANCT). This agency aims to redefine the relationship between territorial entities and the State. It focuses on building capacity and providing targeted project support, while delegating project selection and management to local authorities. Continuing the work of CGET, ANCT is responsible for overseeing major funding programmes, coordinating State-Region planning contracts, and managing other place-based agreements in collaboration with regional authorities in the fields of urban and rural cohesion.

COHESION POLICY CONTEXT

In the 2014-2020 period, the EU Cohesion Policy in France was primarily implemented through regional and interregional Operational Programmes, funded mainly by the ERDF, and occasionally in combination with ESF funds. This implementation occurred within the framework of France's domestic decentralisation reforms. During this time, the management of ERDF, EAFRD, and EMFF was transferred from regional State representatives (préfets) to the Regional Councils. The regions acted as Managing Authorities for all ERDF funds and 35 percent of ESF funds. They also had the authority to delegate fund management to Intermediate Bodies at the sub-regional level, such as départements and large cities.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

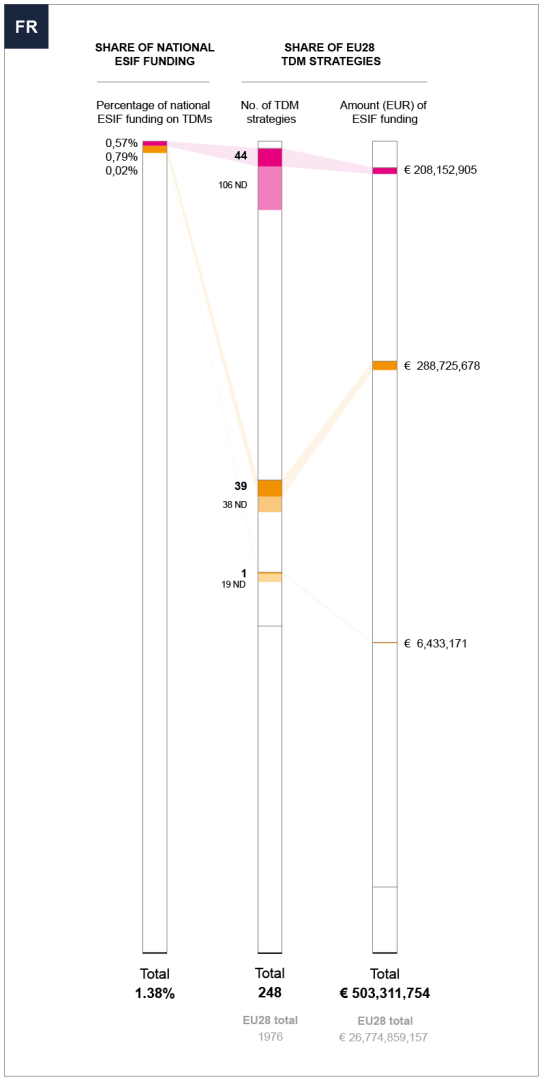
Sustainable Urban Development (Art. 7) Priority Axis

A significant number of SUD PrAx strategies were implemented across various French regions during the 2014-2020 period, with a total of 151 strategies delivered through the priority axes of 11 Regional Operational Programmes. These strategies accounted for 29% of the national SUD financial envelope (Réseau Europe Urbain, 2019).
The French SUD PrAx approach offered the advantage of concentrating interventions in priority urban areas, aligning with national urban policy. Notably, 55% of the SUD PrAx strategies targeted priority urban areas in need of intervention, compared to 44% of SUD ITIs. Meanwhile, 27% of strategies focused on wider urban agglomerations, compared to 48% of SUD ITIs, with the remainder concentrating on city administrative boundaries. However, even in cases where strategies prioritised Functional Urban Areas (FUAs) within agglomerations, many projects still focused on actions within specific deprived neighbourhoods.
SUD PrAx strategies tended to have a more limited thematic focus compared to the broader ITI strategies. Additionally, the financial allocations for SUD PrAx strategies were generally smaller than those for some ITI strategies. Insights from the Open Data Platform indicate that ERDF funding under SUD PrAx was primarily used to promote social inclusion, followed by support for the transition to a low-carbon economy and environmental protection. Smaller amounts were allocated to supporting Small and Medium-sized Enterprises (SMEs) and improving the quality of employment. Despite the narrower thematic scope, evidence suggests that operations supported by SUD PrAx were integrated, addressing multiple thematic areas (Réseau Europe Urbain, 2019).
With 89% of ERDF funding decided being spent by the end of 2022, the French SUD PrAx strategies

Sustainable Urban Development Integrated Territorial Investment

While implementing SUD strategies through a Priority Axis of a regional OP was an option, many regions chose to do so via the ITI mechanism. In total, 77 SUD ITI strategies were established as part of 16 Regional Operational Programmes (ROPs), some combining European Social Fund (ESF) and European Regional Development Fund (ERDF) funding, while others opted for the latter alone. In terms of funding allocations, many of the ITI strategies were comparable to SUD PrAx, but some stood out with much larger budgets, such as the strategies of Île-de-France, Nord-Pas-de-Calais, Pays-de-la-Loire, and La Réunion (Réseau Europe Urbain, 2019).
Thematically, SUD ITI strategies covered a broader range of objectives than SUD PrAx strategies. Most resources were allocated to promoting a low-carbon economy and fostering social inclusion. This broader scope was appreciated by Intermediate Bodies, enabling them to deliver more integrated investments within

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

their territories, better respond to local needs through collaboration with intercommunal public cooperation institutions, and encourage more innovative projects where local authorities might not have otherwise participated.

Some difficulties arose when strategic objectives spanned both urban territories within ITIs and the wider region through mainstream funding. In such cases, misunderstandings sometimes occurred, and project promoters occasionally questioned the added value of an ITI (Réseau Europe Urbain, 2019). Additionally, as seen elsewhere in Europe, challenges were encountered in integrating ESF and ERDF due to differing regulations for each fund. By the end of 2022, the financial implementation of ERDF funds, with 59% of the allocated amount spent, was relatively slow and lagged behind the pace of implementation of mainstream Cohesion Policy funding.

Non-Sustainable Urban Development Integrated Territorial Investment

Non-SUD strategies were also implemented through ITIs in France during the 2014-2020 period, though exclusively in Brittany. A total of 20 non-SUD ITIs were carried out, combining funding from various sources, including the ERDF, ESF, European Agricultural Fund for Rural Development (EAFRD), and European Maritime and Fisheries Fund (EMFF).

Delegating strategy formulation to the Pays level ensured a strong alignment with local needs, as demonstrated in areas like Pays de Saint-Malo. Although the territorial boundaries of the strategies were decided in a top-down manner, consultations with local stakeholders ensured their agreement.

The Pays authorities managed the design and implementation of the strategy, while operations, such as improving energy efficiency in buildings, were carried out by specific companies or organisations at the local level. For example, in Saint-Malo, housing associations were tasked with improving energy efficiency in social housing estates, enabling effective distribution of funding across the region according to local needs.

Thematic focus was broad, with most of the funding allocated to the low-carbon economy and support for SMEs, while smaller amounts were directed towards social inclusion, environmental protection, and improvements through information and communication technologies. However, the thematic emphasis varied by region. The Saint-Malo ITI strategy, for instance, prioritised themes like housing and energy renovation.

A pre-allocation of regional and European funds to these territories, totalling €366 million for the 2014-2020 period, facilitated better coordination of funding and strengthened the partnership approach. Key elements of success included support to territorial actors by policy officers from the Managing Authority, quarterly meetings with local facilitators, thematic specialisation of territorial strategies, and work of the Single Programming Committee, that successfully brought together diverse territorial stakeholders to attract new beneficiaries of funding.

However, challenges included the complexity of monitoring procedures, different management rules for each fund, the need for local stakeholders to become familiar with the frameworks of various European funds, and the potential loss of visibility for the Region's interventions (Edater, 2020).

In terms of financial implementation, non-SUD ITIs in Brittany performed better than SUD ITIs in other parts of France, with 77% of allocated ERDF funds spent by the end of 2022, surpassing the performance of mainstream Cohesion Policy funding as well.

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

Differentiated Approach to Territorial Coverage of ITI Strategies

In terms of geographic scope, there were notable differences in the strategies adopted by various regions for ITIs. Brittany opted for a comprehensive approach, extending coverage across its entire territory using multi-fund ITIs. Conversely, the Region Sud concentrated its resources on its three major metropolitan areas—Aix-Marseille, Toulon, and Nice—while Occitanie adopted a mixed strategy, addressing both urban and rural areas within its territory. These choices reflect the political and strategic priorities of each region and their varying levels of commitment to tailoring funds to specific needs. However, these differences do not appear to have significantly affected the overall effectiveness of the strategies (Parnaix et al., 2020).

IN SUM

The case of France is notable for its use of a diverse range of Territorial Delivery Mechanisms through a substantial number of strategies. These mechanisms supported the national urban policy and facilitated a more place-based approach to Cohesion Policy. Specifically, SUD ITI, SUD PrAx, and non-SUD ITI strategies were employed to deliver thematically integrated operations tailored to local needs, either by focusing on deprived areas or by involving relevant local stakeholders. In certain instances, particularly when an SUD strategy was implemented in a Functional Urban Area (FUA), functional connections were also enhanced. Additionally, urban authorities were given new management roles in Cohesion Policy, along with the much needed resources to tackle local challenges more effectively. This approach also led to the engagement of new stakeholders in the territories, especially through non-SUD ITIs.

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Contributors

Marcin Dąbrowski, Niek Lurling, Gisela Garrido Veron (TU Delft)
Eléna Jabri (EPRC Research Associate)