
ANALYSIS

Local and Regional Involvement in EU Funds Management

Analysis, Good Practices and Policy Recommendations

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Introductory Note

This document is based on a supplementary survey in 11 selected countries, which covered: (1) the extent of urban earmarking for each EU support mechanism, specifically the ERDF minimum 8% sustainable urban development (SUD) requirement and any country-specific commitments above this threshold; (2) the regional and local component of the RRF/NRRP; (3) the institutional architecture for local and regional involvement; and (4) how Integrated Territorial Investments (ITIs) and Community-Led Local Development (CLLD) are conducted in each country.

Key regulatory context: Under Article 11 of ERDF Regulation (EU) 2021/1058, all Member States must earmark at least 8% of their national ERDF allocation for sustainable urban development (SUD), delivered through ITI, CLLD or equivalent territorial tools. This represents an increase from the 5% minimum applicable in 2014–2020. The EU average planned earmark across all 27 Member States is approximately 12%, with most countries exceeding the statutory minimum. The Cohesion Fund does not carry a SUD earmark requirement. The RRF has no formal urban or regional earmarking obligation; local/regional involvement is voluntary and country-specific.

Data note: Urban earmarking percentages are drawn from Partnership Agreements and the CEMR Cohesion Policy Funds 2021–2027 overview (2024 edition), which presents data from each country's PA. Contracted figures for earmarked allocations are indicative, as programme-level disaggregation of urban SUD contracting is not uniformly published by all managing authorities.

1. Local and Regional Involvement Across the 11 Countries

The Table 1: below summarises the key facts on urban/regional earmarking, territorial instruments used, RRF local component and overall assessment of local/regional involvement for all eleven countries. Detailed narratives and earmarking tables are contained in the standalone Section 6 country fact sheets.

Table 1: Local and Regional Involvement in EU Fund Management

COUNTRY	ERDF SUD EARMARK (%)	PRIMARY TERRITORIAL TOOLS	ITI TERRITORIES (NO. OF AREAS)	RRF LOCAL/REGIONAL COMPONENT	OVERALL LOCAL INVOLVEMENT ASSESSMENT
Czech Republic	11%	ITI	13 metro areas/agglom.	20–25% est. sub- national; municipalities benefit building renovation	Strong ITI system; 13 FUAs well governed; innovative Mladá Boleslav designation
Estonia	8% (min.)	ITI	2 (Tallinn + Tartu FUAs)	20% est.; high municipal capacity; building renovation, digital services	Coherent small-scale model; JTF 100% Ida-Viru; high efficiency relative to envelope
Hungary	9.1% (planned)	ITI + CLLD (planned)	7 (planned — blocked)	0% effective (NRRP only 9% disbursed)	Formally sophisticated TOP Plusz architecture; effectively inoperative due to rule-of-law conditionality
Ireland	9%	SUD city designation (no formal ITI)	4–6 cities (SERP/NWRP)	20–25% est.; social housing LA renovation, EV charging, PEACE Plus	Regional Assemblies as MAs unique model; JTF Midlands peat transition ahead of schedule; PEACE Plus cross- border benchmark
Latvia	9%	ITI	9 (Riga + 8 secondary cities)	20–25% est.; water management, building renovation	Good coverage of secondary cities in ITI; Riga Planning Region coordination innovative
Lithuania	8% (min.)	ITI + urban CLLD (ESF+)	5 urban FUAs	25–30% est.; 4,000 building renovations, heating decarbonisation (municipalities)	Distinctive: active urban ESF+ CLLD for deprived districts; building renovation is model local RRF delivery
Poland	9%	ITI + CLLD (urban ESF+)	24 (17 voiv. + 7 RTIs)	25–30% est.; building renovation, healthcare via voivodeships	Most extensive ITI system in EU; full decentralisation via 16 regional MAs; model for large federal-type states
Portugal	16.3%	ITI (CIMs + metro ITIs) + CLLD (rural)	LMA + AMP + CIM networks (most innovative)	25–30% est.; sustainable housing, urban mobility, Lisbon/Porto as major PRR beneficiaries	Highest earmark in sample; CIM intermunicipal ITI model is best practice; CCDRs as genuine regional MAs

COUNTRY	ERDF SUD EARMARK (%)	PRIMARY TERRITORIAL TOOLS	ITI TERRITORIES (NO. OF AREAS)	RRF LOCAL/REGIONAL COMPONENT	OVERALL LOCAL INVOLVEMENT ASSESSMENT
Romania	8% (min.)	ITI + urban CLLD (ESF+)	7 growth poles/metros	20–25% est.; building renovation, urban transport, local healthcare	Complex 8-ADR regional architecture; chronic capacity weakness; high CLLD ambition vs. low delivery
Slovakia	8% (min.)	ITI + CLLD	7 urban FUAs	15–20% est. sub- national (building renovation, primary healthcare)	Meets minimum; ITI system functional; urban CLLD discontinued; JTF 100% Upper Nitra
Slovenia	8.7%	ITI	6 (Ljubljana + 5 cities)	20–25% est.; building renovation, smart mobility (municipalities)	Well-functioning unified programme with embedded ITI; JTF coal transition ahead of schedule

Colour key (final column): green = strong sub-national involvement; blue = moderate / functional involvement; amber = constrained by capacity; red = effectively inoperative.

SUD = Sustainable Urban Development. ITI = Integrated Territorial Investment. CLLD = Community-Led Local Development. FUA = Functional Urban Area. MA = Managing Authority. RTI = Regional Territorial Investment (Poland sub-regional level). CIM = Comunidade Intermunicipal (Portugal intermunicipal community). JTF = Just Transition Fund. ADR = Romanian Regional Development Agency.

Out of the 11 countries, only Hungary shows a structural failure of local/regional involvement — not through design failure but governance-level conditionality. Among the remaining ten countries, the breadth and quality of local involvement correlates strongly with programme architecture simplicity and administrative capacity at the sub-national level.

1.1 The Regulatory Architecture for Sub-National Involvement

Under the 2021–2027 Multi-Annual Financial Framework, local and regional involvement in EU fund implementation operates through three principal mechanisms:

1. the **mandatory 8% ERDF urban earmark** for sustainable urban development, delivered through Integrated Territorial Investments (ITIs), Community-Led Local Development (CLLD) or equivalent tools;
2. the voluntary **designation of regional or local bodies as managing authorities or intermediate bodies** within cohesion programmes; and
3. the informal but practically significant **local delivery footprint of RRF/NRRP components**, particularly building renovation, urban mobility and local digital services.

Across the 11 countries, a clear spectrum emerges between countries where sub-national involvement is structurally embedded and those where it is nominal or constrained. The spectrum runs from Portugal and Poland — where regional bodies hold genuine managing authority status and territorial instruments are extensive — to Hungary, where the entire sub-national delivery architecture is suspended, and to Estonia and Ireland, where small-scale but

high-quality models of local involvement operate efficiently within unified national programmes.

1.2 Urban Earmarking

The 8% ERDF minimum for sustainable urban development is the floor, not the norm. Among the eleven countries, only Slovakia, Estonia, Lithuania, Romania and Hungary (formally) sit at or very near the minimum. Portugal stands apart at 16.3% – double the floor – reflecting a structural commitment to regional and urban programme management through its five CCDR-managed regional OPs. The Czech Republic (11%) and Ireland (9%) also exceed the threshold meaningfully.

The EU average across all 27 Member States is approximately 12%, confirming that the 8% minimum is routinely exceeded when countries have developed regional governance systems and urban strategies that align with cohesion policy investment logic. Evidence from 2014–2020 also shows that the actual share of ERDF reaching urban areas at programme close tends to be higher than initially planned, as urban projects prove more shovel-ready and deliver faster than large infrastructure projects.

1.3 Scale, Governance and Functionality of ITI Systems

Ten of the 11 countries use ITIs as the primary vehicle for urban SUD delivery (Ireland is the exception, using a functional equivalent without formal ITI designation). The scale of ITI systems varies from Poland's 24 designated territories – the largest in the EU – to Estonia's two urban functional areas. Three dimensions differentiate ITI quality across the sample:

- **Governance depth:** Whether the urban authority has genuine delegated decision-making authority (project selection, strategy approval) or merely consultative status. Poland, Czech Republic, Portugal and Lithuania show the strongest governance depth; Slovakia and Romania are weaker.
- **Geographic coverage:** Whether ITIs cover only the dominant capital city or extend to secondary cities and functional urban areas. Latvia's inclusion of eight secondary cities alongside Riga and Poland's sub-regional RTIs for secondary cities are notable examples of breadth.
- **Multi-fund integration:** Whether ITI strategies can draw on both ERDF and ESF+ (and in some cases JTF) within a single territorial strategy, enabling genuinely cross-sectoral urban investment. Poland's regional OPs integrate ERDF and ESF+, making Polish ITIs the most multi-fund capable in the sample.

1.4 Community-Led Local Development

Community-Led Local Development (CLLD) has a more differentiated uptake among the 11 countries. Lithuania stands out as the clearest proponent of urban ESF+-financed CLLD for social inclusion in deprived city districts. Romania also uses ESF+-funded CLLD for marginalised

communities including Roma populations in urban areas. Slovakia and Portugal have elected to discontinue cohesion-funded urban CLLD for 2021–2027, concentrating urban SUD resources exclusively on ITIs.

Rural CLLD through EAFRD LEADER remains active in all 11 countries. The disconnection of EAFRD from the Common Provisions Regulation in 2021–2027 is a widely noted regulatory gap: multi-fund CLLD strategies integrating ERDF, ESF+ and EAFRD are now significantly more complex to design and administer, reducing the practical appeal of CLLD for organisations managing both rural and peri-urban territories.

1.5 The Local Dimension of the RRF / NRRP

The RRF has no formal urban or regional earmarking requirement. The Partnership Principle does not formally apply to NRRP design, meaning local and regional authorities were 'strongly encouraged' rather than legally entitled to participate in plan preparation. Eurocities and other city networks have consistently highlighted that the centralised RRF management model has led to insufficient local involvement and has reduced the effectiveness of urban investments.

Despite the absence of a formal earmark, all eleven NRRPs contain components with significant local delivery pathways. Building renovation is the most consistent: in Lithuania, Estonia, Romania, Czech Republic, Slovakia and Ireland, municipalities, housing co-operatives and local authorities are direct beneficiaries of renovation grant programmes. Urban mobility decarbonisation (electric buses, metro systems, cycling infrastructure) is the second most prevalent local component, concentrated in Portugal, Romania and Ireland.

Estimates of the proportion of RRF spending reaching sub-national level range from 15% (Slovakia) to 30% (Portugal, Lithuania). These are indicative figures — no Member State in the sample publishes a formal regional disaggregation of RRF expenditure — but they confirm that local authorities are material implementers of RRF investment even without formal programme architecture provisions.

2. Good Practices in Local and Regional Involvement

2.1 Good Practices in ITI Governance and Urban Sustainable Development

Poland: System of 24 ITI/RTI territories covering voivodeship capitals and secondary cities

Poland's mandatory designation of ITIs for all 16 voivodeship capital functional urban areas, complemented by sub-regional RTIs for secondary cities in four voivodeships, creates the most comprehensive urban SUD coverage in the EU. The Warsaw Metropolitan ITI demonstrates how a complex multi-municipal functional area can coordinate a joint integrated strategy combining ERDF and ESF+ resources for mobility, social inclusion, environment and digitalisation. The governance model – city-regional associations as the urban authority with real project selection delegation – gives Polish municipalities genuine ownership without fragmenting programme management. Poland's €3.4 billion urban SUD envelope (9% of ERDF) is the single largest in the EU.

How it works in practice: The Warsaw metropolitan ITI is governed by an association of the capital and the surrounding functional-area municipalities (Stowarzyszenie 'Metropolia Warszawa'). The association prepares and adopts the joint territorial strategy and acts as the ITI entity: its decision-making bodies, composed of the member municipalities' mayors, agree which integrated projects – park-and-ride networks, cycling corridors, social-inclusion and e-service packages – go forward under the earmarked envelope. Individual municipalities then submit the agreed operations to the Mazovian regional programme's managing authority, which runs formal compliance checking, contracting, payment and audit. The division of labour is the model's core: strategic selection sits at the intermunicipal level, which understands cross-boundary needs, while the heavy implementing apparatus stays with the regional MA. The delegated body therefore needs planning and coordination capacity rather than a full administration – which is what makes the model workable across 24 ITI/RTI territories of very different sizes.

What makes the arrangement durable is that it is formalised, not voluntary goodwill: the association acts as the ITI entity recognised in national implementing legislation, and access to the earmarked envelope is conditional on an adopted joint strategy – cooperation is rewarded through the funding architecture rather than commanded. Project lists are typically prepared in thematic working groups (transport, environment, services) before the mayors decide, so the political table settles priorities that technical staff have already made comparable. The capacity requirement is a secretariat of planners and coordinators, not an implementing bureaucracy: procurement control, payments and audit liability remain with the regional managing authority throughout. The strongest evidence of replicability is internal to Poland itself – the same construction operates in all 24 ITI/RTI territories, from metropolitan Warsaw down to small subregional partnerships, demonstrating that the institutional form scales down as well as up. The durable residue is metropolitan cooperation itself: structures created to access EU funds now

carry joint agendas, such as transport integration, that no single municipality could pursue alone.

Portugal: CIM (Comunidade Intermunicipal) ITI model extending SUD to rural-urban partnerships

Portugal's use of Intermunicipal Communities (CIMs) as ITI governance structures for interior and lower-density regions is the most innovative territorial tool design in the sample. CIMs group municipalities across urban-rural functional boundaries, enabling integrated strategies that address both urban cores and their rural hinterlands through a single ITI framework. This directly responds to the Territorial Agenda 2030's call for stronger urban-rural linkages. The CIM model is particularly effective in regions such as Alentejo and Centro, where no single dominant city justifies a metro-focused ITI but intermunicipal cooperation is essential. Portugal's 16.3% ERDF urban earmark – the highest in the sample – validates this broader territorial vision.

How it works in practice: A Comunidade Intermunicipal is a public association of neighbouring municipalities with its own intermunicipal council of mayors and a small technical secretariat. For EU funds, each CIM signs a delegation contract with the managing authority of its regional programme (the CCDR), tied to the CIM's integrated territorial development strategy. Member municipalities propose operations; the secretariat screens them against the strategy and the delegation contract; the intermunicipal council approves the list that goes to the CCDR for formal decision and contracting. Because a CIM covers a functional territory spanning an urban centre and its rural hinterland, one governance table can combine an urban mobility investment in the core with school-network or water investments in the periphery – integration that separate municipal applications cannot achieve. The capacity built in the secretariat persists between programming periods, which is why the CIM layer has become a durable feature of Portuguese territorial administration rather than a programme artefact.

Two features explain why the model transfers well. First, permanence: CIMs are statutory public associations covering the whole mainland in NUTS III geometry, so EU-fund delegation lands on a pre-existing institution of general competence rather than a programme-period vehicle that dissolves with the funds. Second, the delegation contract aligns incentives – it specifies the envelope, the eligible priorities and performance conditions, with technical-assistance support for the functions actually transferred, so the CIM is resourced for what it is asked to do. The intermunicipal council's approval step forces territorial trade-offs to be argued out inside the territory – which municipality's project proceeds first – instead of exporting those disputes upward to the managing authority; this costs time at the start of the cycle and saves it later. Portugal's 16.3% urban earmark, the highest in the sample, is deliverable largely because it rides on this machinery. The transfer conditions are three: a statutory intermunicipal layer, a managing authority willing to delegate genuine selection, and secretariats with planning competence – and the last of these accumulates across programming periods, which is why second-generation delegation runs more smoothly than the first.

Czech Republic: 13-territory ITI system with metropolitan governance capacity building

The Czech Republic's expansion from the 2014–2020 ITI system to 13 territories in 2021–2027 (including the new Mladá Boleslav Agglomeration designation) reflects strong institutional learning. The November 2024 European Urban Initiative capacity-building event in Prague — focused specifically on improving metropolitan cooperation for ITI implementation — exemplifies the iterative governance improvement approach: identifying challenges (collaboration across municipalities of varying size and experience) and building solutions (shared ITI secretariat models, inter-municipal strategy frameworks). The Czech IROP serves as a technically sophisticated vehicle for ITI delivery, combining ERDF and ESF+ within regional OPs.

Ireland: Regional Assemblies as genuine ERDF Managing Authorities

Ireland's model of designating three Regional Assemblies as ERDF managing authorities (Southern and Eastern Regional Assembly for SERP; Northern and Western Regional Assembly for NWRP) is one of the most genuinely decentralised ERDF governance models in the sample. Regional Assemblies are composed of elected local councillors, giving democratic accountability at sub-national level without the fragmentation risk of multiple individual local authorities as MAs. The model combines territorial ownership (Assemblies define their own programme priorities within EU objectives) with adequate scale (covering millions of people across multiple counties). The PEACE Plus programme — jointly managed with Northern Ireland across an international border — demonstrates that this governance model can extend to genuinely complex cross-border political contexts.

How it works in practice: Ireland's Regional Assemblies are composed of councillors nominated by the constituent local authorities, and two of them act as managing authorities for the ERDF regional programmes. The programme cycle runs through the elected members: the Assembly approves the programme and its calls, the secretariat manages appraisal, selection and monitoring, and implementation is reported back to members in session. Because the Assemblies also own the Regional Spatial and Economic Strategies, calls are written to implement the strategy directly — the alignment between EU funds and regional planning is institutional rather than aspirational. The scale is deliberately modest: Ireland's ERDF envelope is one of the smallest in the Union, which is precisely what makes the model instructive. It shows that sub-national fund management is viable even where the allocation would never justify a heavy dedicated apparatus, provided the MA function is attached to an existing elected institution with planning competence and stable staff.

In the programme cycle this works as follows: the secretariat drafts calls to deliver named objectives of the Regional Spatial and Economic Strategy, the elected members approve them, and delivery then runs largely through intermediate bodies and existing national agencies — so the Assembly's own apparatus stays small while audit and certification remain within

established national arrangements. A small managing authority therefore does not mean weak control. Accountability is unusually visible: implementation reports are tabled before the same elected members who answer locally for the strategy the funds execute, closing a loop that centralised management leaves open. The precondition is planning competence with statutory footing — because the Assemblies own the RSES, selection criteria cite plan objectives directly instead of re-deriving priorities for each call. The transfer lesson for member states wary of creating new regional bureaucracies is that the alternative is attachment, not construction: vest the MA function in an existing elected planning institution and size the programme to its capacity. The Midlands peat transition, running ahead of schedule under the same institutional family, shows these structures absorbing a second territorial instrument without any new apparatus.

2.2 Good Practices in CLLD

Lithuania: Urban ESF+-funded CLLD for social inclusion in deprived city districts

Lithuania maintains one of the most active urban CLLD programmes in the sample, using ESF+ funds to finance Local Action Groups (LAGs) operating in deprived districts of Vilnius, Kaunas and other cities. These LAGs implement community-driven projects addressing long-term unemployment, social exclusion, Roma integration and poverty using a participatory governance model where community organisations, local NGOs and residents collectively define priorities and select projects. This bottom-up approach reaches communities that top-down ITI strategies often overlook — sub-district level deprivation concentrated in specific neighbourhoods rather than city-wide issues. The CPMA (Central Project Management Agency) provides quality assurance without substituting for community-level decision-making.

Romania: CLLD for marginalised Roma communities — multi-fund approach

Romania uses ESF+-funded CLLD to reach Roma and other severely marginalised communities in both urban deprived neighbourhoods and peri-urban settlements. Despite the chronic implementation challenges that affect Romanian programmes broadly, the CLLD model has been credited with reaching communities entirely outside formal employment and social services through community-embedded Local Action Groups. The multi-fund potential — combining ESF+ for social inclusion with EAFRD LEADER for rural Roma settlements — is a design strength, though regulatory complexity (the 2021–2027 EAFRD-CPR disconnection) has made multi-fund implementation more difficult in practice.

2.3 Good Practices in JTF Sub-Regional Governance

Estonia: Ida-Viru JTF — county government as co-owner of the transition plan

Estonia's Territorial Just Transition Plan for Ida-Viru County was co-developed with the county government and local municipalities rather than imposed from the national centre. This participatory planning process resulted in a transition strategy that reflects local economic realities (skills base of former oil shale workers, availability of industrial land, proximity to the Finnish and Swedish markets) rather than generic EU transition templates. The county government is a formal partner in JTF governance, with genuine influence over the investment mix. Early results are positive: Ida-Viru's transition is proceeding on schedule, with renewable energy and advanced manufacturing projects replacing oil shale employment.

How it works in practice: The Territorial Just Transition Plan for Ida-Viru was produced through structured co-design rather than ministerial drafting followed by consultation. A standing regional steering group convened the county's municipalities, the regional development organisation, and employers and unions from the oil-shale sector alongside national ministries, and the plan's investment mix — business diversification, skills conversion for oil-shale workers, environmental remediation — was negotiated in that group before submission to the Commission. The county level then kept a formal seat in JTF governance during implementation, including in the assessment of major business-investment applications, so local knowledge of sites, employers and workforce enters project selection itself, not only the strategy document. The result is visible in take-up: projects arrive pre-aligned with what the territory can absorb, which is a large part of why Ida-Viru's transition is running ahead of schedule.

The county's implementation-stage role has concrete mechanics: regional representatives sit in the assessment of major business-investment applications, so territorial knowledge — which sites are viable, which employers are credible, where the workforce actually is — enters the scoring itself rather than being consulted after decisions are formed. Co-design also priced realism into the plan: skills-conversion and remediation measures were dimensioned against commitments visible in the oil-shale sector during the negotiation, not against top-down estimates, which is a large part of why the committed pipeline ran ahead of schedule. The trust dividend is operational as much as political — municipalities promote calls, informally pre-screen prospective applicants and feed pipeline intelligence back to the national level. Three conditions govern transferability: a standing regional body with a mandate that continues through implementation (not an ad hoc consultation), a national coordinator willing to share evaluation, and sufficient territorial concentration for the effort to pay — Estonia allocates 100% of its JTF to a single county. Where those conditions are absent and plans were drafted centrally with late consultation, JTF pipelines in the sample started visibly more slowly.

Slovenia: Zasavje and Šaleška Valley JTF — ahead of schedule with strong municipal ownership

Slovenia's JTF for the Zasavje region and Šaleška Valley (Velenje) is performing ahead of schedule, driven by strong local political will and clear local economic alternatives. Velenje's municipal government has been an active proponent of the town's transition from lignite mining to renewable energy manufacturing and services, treating the JTF not as a compensatory mechanism but as a development catalyst. The co-development of the Territorial Just Transition Plan with workers' organisations, local employers and municipal governments created a shared transition narrative that has accelerated project readiness and beneficiary engagement.

2.4 Good Practices in RRF Local and Regional Component

The RRF's structural design concentrates management authority at the national level. However, several countries have created effective local delivery pathways within their NRRPs, demonstrating that sub-national involvement is achievable within the RRF framework even without formal earmarking obligations. The following practices are noteworthy.

Lithuania: Building renovation as a locally-anchored RRF flagship — 4,000 multi-apartment buildings

Lithuania's NRRP building renovation component (targeting 4,000 multi-apartment residential buildings) is the largest and most locally-impactful RRF component in the sample in per-capita terms. Municipalities and housing management companies are direct implementing partners, with local government coordinating renovation planning within municipal energy efficiency strategies. The component builds on Lithuania's well-established residential renovation support system (JESSICA financial instrument experience from 2007–2014, continued through LAAIF), ensuring beneficiary and institutional familiarity. The connection between building renovation and district heating decarbonisation — delivered through municipal energy companies — creates a genuinely integrated local energy transition package that the RRF finances at scale.

How it works in practice: A renovation begins in the building, not in a ministry. An absolute majority of apartment owners (50%+1) must approve the investment plan, which is prepared by the building's administrator — in most Lithuanian buildings a municipally appointed manager, in others a homeowners' association. The plan is agreed with the Environmental Project Management Agency (APVA), which administers the programme, checks the technical measures (insulation, windows, heating modernisation, ventilation) and calculates the state support. Financing combines a 20-year preferential loan taken by the administrator on behalf of the owners with a state grant share; after completion and verification of the energy result, the support is set against the loan, so owners repay only the remainder through their monthly bills. Municipalities anchor the local end: they appoint administrators, run help-desks and channel full-cost support to low-income households eligible for heating compensation. The NRRP's 4,000-

building target rides on this established machinery — the RRF finances at scale a process residents already know.

The scheme scales because it is standardised and because the debt sits in the right place. A fixed technical menu and cost benchmarks let the agency process thousands of small projects without case-by-case negotiation, and the loan is taken by the building's administrator on behalf of the owners — it burdens neither the municipal nor the state balance sheet, and owners repay through the monthly bills they already receive, against energy savings that have averaged around 40% per renovated building. The RRF changed the scale of the programme, not its process: the national plan is reimbursed against verified building-level energy results, so the reporting burden on residents did not grow with the funding source. Replicability rests on three preconditions — an established building-administration profession, a single national gatekeeper agency, and a repayment channel through existing utility billing. The known limit is also instructive: majority consent forms the bottleneck precisely in the worst-condition buildings with the poorest owners, which is why the full-cost support channelled to households eligible for heating compensation is not a social add-on but the mechanism that keeps the model equitable at scale.

Portugal: Mais Habitação programme — RRF addressing urban housing affordability in Lisbon and Porto

Portugal's PRR includes a dedicated sustainable housing component (Mais Habitação / More Housing programme) addressing the acute housing affordability crisis in the Lisbon and Porto metropolitan areas. The programme channels RRF grants to increase social and affordable housing stock, with Lisbon and Porto municipal governments and the national housing institute (IHRU) as key implementing partners. This is one of the most explicit cases of RRF investment being shaped around sub-national urban needs — driven by housing cost pressures specific to the two metropolitan areas rather than a national-average problem. The model demonstrates how a nationally designed RRF plan can formally incorporate place-specific urban priorities without a formal urban earmark.

Ireland: Social housing retrofit — Local Authorities as RRF beneficiaries and primary implementers

Ireland's NRRP building retrofit programme leverages Local Authorities as the primary delivery mechanism for social housing energy renovation. Irish Local Authorities are the country's largest social landlords, owning and managing approximately 130,000 dwellings. Their direct integration as beneficiaries (rather than as intermediaries in a grant chain) means the renovation programme operates through existing asset management structures, reducing administrative overhead and enabling systematic multi-building renovation programmes rather than piecemeal project-by-project implementation. The EV charging infrastructure component similarly uses

Local Authority area planning as the deployment mechanism, aligning charging point locations with land use plans and public transport hubs.

Czech Republic: Strong NPO coordination enabling municipal access to renovation grants

The Czech NPO (Národní plán obnovy) includes a well-coordinated building renovation component accessible to municipalities, school operators and small energy communities. The State Environmental Fund (SFŽP) — already the managing body for the ERDF/CF energy renovation component — acts as implementing body for the RRF renovation stream as well, creating a single point of access for municipal beneficiaries seeking renovation support from either cohesion or RRF sources. This integration avoids the common problem of parallel, disconnected funding channels for the same type of investment at local level.

Estonia: RRF digital public services — municipal capacity built alongside national digitisation

Estonia's NRRP digital transition component extends the country's globally recognised e-governance capabilities to municipal level, financing the integration of local government digital services into national interoperability frameworks. Municipalities — which in Estonia deliver key public services including education, social care and local planning — are direct beneficiaries of the digital services investment. Estonia's approach of treating municipalities as active participants in e-governance development (rather than passive recipients of centrally procured systems) reflects a mature multi-level digital governance model that produces faster adoption, lower maintenance costs and higher service quality.

3. Advantages and Disadvantages of the Decentralised Approach to EU Fund Implementation

The following analysis draws on the evidence from the 11 countries, academic research on cohesion policy governance (including Santos et al., JCMS 2024 on absorption rates and decentralisation; OECD 2020 on managing authority governance; Ciffolilli et al. 2023/2024 on absorption barriers) and the institutional experience documented in the country fact sheets.

3.1 Advantages

Place-based relevance and investment quality

Decentralised delivery — through ITIs, regional programmes or regional MAs — produces investments that reflect local development needs more accurately than centrally designed calls for proposals. Portugal's CCDR-managed regional OPs, Poland's voivodeship regional programmes and Ireland's Regional Assembly programmes all demonstrate that sub-national programme ownership produces investment portfolios shaped around genuinely local priorities (specific transport corridors, local labour market structures, city-specific social inclusion challenges). CEMR research confirms that ITI and CLLD projects score higher on relevance to local needs than comparable national OP investments.

Democratic accountability and political legitimacy

Where regional or local authorities act as managing authorities (Ireland, Poland, Portugal) or hold delegated ITI authority (Czech Republic, Lithuania, Latvia), EU investment acquires direct democratic legitimacy. Elected councillors on Regional Assembly boards (Ireland), elected Marszałek offices (Poland) and elected CCDR leaders (Portugal) are politically accountable to the communities they serve in ways that national-level ministry officials are not. This accountability creates pressure for project quality and against elite capture — though it does not eliminate it.

Capacity building and institutional learning at sub-national level

Managing EU funds builds administrative capacity in regional and local institutions that persists beyond the programme period. CEMR evidence confirms that ITI and CLLD tools specifically empower local authorities by raising their capacity in managing EU funds and strengthening multi-level dialogue. Estonia's high municipal administrative capacity — itself partly a product of managing EU funds since 2004 — enables effective RRF delivery at local level with minimal central support. Poland's 16 voivodeship MAs have developed procurement expertise, monitoring capability and beneficiary engagement competences that represent a genuine governance dividend.

Faster project preparation and pipeline depth in functionally coherent territories

Urban functional areas with designated ITI status — particularly those with established metropolitan governance structures (Warsaw, Brno, Tallinn, Vilnius) — develop deeper and more

mature project pipelines than nationally designed open calls covering the same types of investment. This is because ITI urban authorities know their territory, have pre-existing capital investment plans and can align EU-funded projects with domestic budgets for co-financing. Evidence from the JTF also confirms this: Estonia's Ida-Viru and Slovenia's Velenje JTFs are performing ahead of schedule partly because local authorities had prepared transition investment plans before the JTF was formally operational.

Reducing the distance between citizens and EU investment

Policy Objective 5 “A Europe closer to citizens” is the regulatory expression of the principle that EU cohesion funds should be visible and tangible at the community level. CLLD, ITI and regional MA models are the primary mechanisms for achieving this. The visibility of EU-funded projects in cities (tram lines, renovated schools, urban parks, cycling infrastructure financed through ITIs) creates direct citizen awareness of EU value-add that national-level transport or industrial investments do not. This has direct political value for EU legitimacy and popular support.

3.2 Disadvantages

Administrative capacity gaps at sub-national level reduce absorption

The most consistent finding in academic and policy literature is that decentralisation improves outcomes only when sub-national bodies have adequate administrative capacity. Where this capacity is absent — as in Romania's eight Regional Development Agencies, with persistent staff turnover and IT system gaps — decentralisation creates absorption delays rather than accelerating delivery. Santos et al. (JCMS, 2024) confirm empirically that a decentralised governance model negatively influences absorption speed, particularly where co-ordination with central government is complex or local authorities lack management capacity.

Coordination overhead and fragmentation risk in multi-programme architectures

Large multi-level architectures (Poland's 24 programmes, Romania's 17 programmes) impose significant horizontal coordination costs. ITI urban authorities that must draw on multiple OPs (e.g. national thematic OP for transport + regional OP for social inclusion + ESF+ programme) face complex inter-programme boundary negotiations over project eligibility and fund attribution. This fragmentation risk is most acute where national and regional MAs have different implementation priorities and audit interpretations, creating inconsistency for beneficiaries operating across programme boundaries.

Governance risks are not reduced by decentralisation

Decentralisation does not eliminate fraud and irregularity risks — it redistributes them. OLAF investigations in Romania have documented procurement manipulation, collusion between beneficiaries and public officials, and falsification of tender documents across ERDF-financed regional programmes; Romania consistently leads the EU in OLAF investigation counts. CLLD Local Action Groups can similarly be captured by local business interests or political networks.

Robust anti-fraud controls and transparent procurement systems are necessary at every level of the delivery architecture, not only at the centre.

Uneven territorial outcomes and risk of exacerbating regional disparities

Decentralised programme management tends to favour regions and municipalities with stronger pre-existing administrative capacity – precisely those that are already more developed. Poorer, lower-capacity municipalities may lack the staff to prepare competitive ITI project applications or access CLLD grant procedures. This creates a perverse dynamic where EU cohesion funds, intended to reduce territorial disparities, may flow disproportionately to better-governed areas within a country. Latvia's secondary city ITI model and Portugal's CIM approach explicitly address this risk by building governance support for smaller municipalities.

RRF structural exclusion of local authorities

The RRF's milestone-based disbursement model, managed at national level without a regional programme architecture, has structurally marginalised local and regional authorities. Eurocities has documented that centralised RRF management left local stakeholders with minimal consultation during plan design, producing national plans that overlook city-specific needs. The consequence is structural rather than financial: although RRF disbursement converged toward the EU average during 2026, what was funded had already been decided without local input, and such local delivery as occurred depended on national goodwill rather than institutional guarantees. Without a formal local earmark or partnership obligation, the extent to which RRF resources reach the sub-national level remains a national government choice – one exercised barely at all in Hungary and only partially in Poland, where municipalities are excluded from direct KPO access in most components.

Multi-fund complexity post-EAFRD CPR disconnection

The removal of EAFRD from the Common Provisions Regulation in 2021–2027 has significantly increased the complexity of multi-fund ITI and CLLD strategies that previously integrated rural development with ERDF and ESF+ within a single strategic framework. For ITIs covering urban-rural territories (Portugal's CIMs, Romania's non-urban partnerships, Lithuania's peri-urban CLLD), the practical impossibility of seamless multi-fund integration reduces strategic coherence and forces artificial boundaries between rural and urban investment within the same functional territory.

4. Policy Recommendations for the Next Programming Period (Post-2027)

The following recommendations are structured in two tiers: (1) EU-level – addressing the regulatory and architectural design of the support framework, and (2) country/regional level – addressing national implementation choices and sub-national governance. They are calibrated to the current state of play in the eleven countries and the ongoing post-2027 MFF architecture discussions.

4.1 EU-Level Recommendations

R1: Raise the ERDF urban SUD earmark to at least 10% and introduce a secondary earmark for functional urban areas beyond capital cities

The 8% minimum, while above the 2014–2020 threshold of 5%, is below the EU average of 12% and inadequate for countries with complex urban systems and multiple secondary cities requiring investment. A graduated earmark – 10% minimum with an additional 2% incentive for countries designating ITI territories in secondary cities (population >100,000) – would address the chronic under-investment in secondary cities documented across Poland, Czech Republic, Romania and Latvia. Evidence from the 11 countries shows that secondary city ITIs (RTIs in Poland, Brno/Ostrava in Czech Republic, Kaunas/Klaipėda in Lithuania) are as strategically important as capital city ITIs for territorial cohesion.

R2: Reintegrate EAFRD into the Common Provisions Regulation to restore genuine multi-fund ITI and CLLD capacity

The 2021–2027 disconnection of EAFRD from the CPR has demonstrably weakened the multi-fund potential of ITI and CLLD instruments, particularly for urban-rural interface territories. The evidence from Portugal's CIM model and Lithuania's peri-urban CLLD confirms that the most innovative territorial development strategies require seamless integration of rural development, social and regional investment tools. Reintegration of EAFRD into the CPR for the next period – or at minimum, alignment of EAFRD and CPR eligibility, audit and reporting rules – is the single regulatory change that would most improve the coherence and impact of territorial instruments.

R3: Introduce a formal RRF urban and regional component earmark (minimum 15%) in any successor instrument

The evidence from all 11 NRRPs confirms that approximately 15–30% of RRF spending reaches local and regional level through building renovation, urban mobility and local digital services – yet this is unplanned, unmeasured and unaccountable. Any successor to the RRF in the post-2027 architecture should include: (1) a minimum 15% earmark for investments involving local or

regional authorities as primary beneficiaries; (2) mandatory consultation of local and regional governments in plan design (not merely encouragement); and (3) a formal regional expenditure disaggregation requirement in payment request reporting. This would transform the relationship between national and sub-national governments in reform-linked investment instruments.

R4: Mandate minimum administrative capacity standards for ITI urban authorities before delegation

Implementing bodies are often designated before they are ready. Romania is the clearest case: chronic ADR capacity gaps have constrained the entire regional delivery system. Hungary shows a different form of the same failure — TOP Plusz county governments were designated as ITI bodies before the programme became operational. The remedy is a mandatory pre-designation readiness assessment. It should cover procurement procedures, monitoring IT systems, strategy quality and financial management capacity, and be supported by a pre-implementation technical assistance grant. The Czech Republic's EUI capacity-building event for metropolitan ITI governance (November 2024) shows the value of this approach in practice.

R5: Create a permanent EU Sub-national Implementation Capacity Fund within the next MFF

Weak local and regional administrative capacity is the single most consistent correlate of poor EU fund absorption and high irregularity rates in the evidence. A dedicated fund — financed at EU level, accessible to sub-national authorities and ITI urban authorities directly — would enable systematic investment in procurement training, IT system upgrades, monitoring capacity and beneficiary support infrastructure at the level where it is most needed. This would be distinct from technical assistance allocations within programmes (which are subject to N+3 decommitment pressure and MA discretion) and would provide sustained, multi-year capacity investment. The OECD's evidence on managing authority governance confirms that capacity-building interventions produce measurable returns in programme performance.

R6: Exempt ITI and CLLD projects from the N+3 automatic decommitment rule

The N+3 decommitment pressure disproportionately affects ITI and CLLD projects, which by design require more time for participatory strategy development, multi-stakeholder governance and cross-sector project pipeline preparation than standard national-level calls for proposals. CEMR has explicitly called for this exemption. An exemption — conditional on demonstrated contracting progress within the ITI territory and satisfactory audit findings — would allow urban authorities to invest the time required for genuinely integrated territorial strategies without creating decommitment risk for the overall programme. This would improve both the quality and depth of territorial investment.

4.2 Country and Regional Level Recommendations

R7: Establish dedicated ITI technical assistance units within urban authorities before programme launch

The evidence from the Czech Republic's EUI capacity event, Poland's RTI experience and Romania's ADR capacity gaps all confirm that urban authorities designated as ITI bodies need dedicated, ring-fenced technical assistance to establish and maintain the governance infrastructure required. Best practice — exemplified by the Warsaw Metropolitan Area ITI secretariat and Tallinn's urban development unit — involves a small (3–5 person) specialised team responsible for ITI strategy management, project pipeline development, beneficiary support and monitoring. This team should be in place and operational before the first ITI call for proposals is launched, not recruited in response to early implementation failures.

R8: Adopt Portugal's CIM intermunicipal ITI model for rural-urban interface regions

Portugal's Comunidades Intermunicipais (CIM) ITI model — grouping municipalities across urban-rural functional territories for integrated territorial strategies — is the most transferable innovation in the sample. Countries with significant rural-urban interface territories — whether driven by persistent demographic decline in rural areas (Latvia, Lithuania) or weak individual municipal capacity that prevents smaller units from managing ITI strategies independently (Romania, Slovakia) — should consider designating CIM-equivalent intermunicipal community associations as ITI bodies for non-metropolitan regions. This enables the 8% (or higher) ERDF urban SUD earmark to address urban-rural linkage challenges rather than concentrating exclusively on the main metropolitan areas.

R9: Integrate RRF building renovation streams with cohesion fund energy renovation calls through a single national one-stop shop

Eight of the 11 countries have both cohesion fund (ERDF/CF) and RRF building renovation components operating in parallel, often through different implementing bodies with different eligibility rules, documentation requirements and audit standards. This creates confusion for municipal beneficiaries and administrative duplication. The Czech Republic's model — using the State Environmental Fund as implementing body for both streams — is the most effective integration example. Countries should establish a single renovation support point for municipalities and housing managers, covering both RRF and ERDF financing, with harmonised eligibility criteria and a shared monitoring platform.

R10: Extend Lithuania's urban CLLD model to other countries with high urban poverty concentration

Lithuania's deployment of ESF+-funded CLLD in deprived urban districts represents an underutilised good practice. Countries with high urban poverty concentration — Romania

(Bucharest-Ilfov periurban belts, Craiova deprived districts), Slovakia (Roma-populated urban districts in Košice and Prešov), Czech Republic (socially excluded localities in industrial cities) — would benefit from this bottom-up complement to ITI strategies. Urban CLLD LAGs operating within ITI territories could serve as the primary delivery mechanism for social inclusion measures, reaching sub-district level poverty that ITI-scale investments cannot address.

R11: For large countries (Poland, Romania): establish formal vertical coordination mechanisms between national and regional MAs

Poland's 24-programme architecture and Romania's 17-programme system require formal vertical coordination mechanisms to prevent boundary disputes, duplication of calls and inconsistent audit interpretation across MAs. Poland's Ministry of Funds and Regional Policy plays a partial coordination role but lacks formal authority over regional MAs' programming decisions. Romania's MIPE exercises coordination through TA programmes but without binding authority. A Deputy Prime Minister-level joint MA coordination committee — with a formal mandate to harmonise eligibility rules, deconflict investment calls and aggregate absorption monitoring — would reduce coordination overhead for beneficiaries and improve overall programme coherence without compromising regional ownership.

R12: Advocate collectively at EU level for formal local/regional involvement in any post-RRF reform instrument

The RRF's structural exclusion of local and regional authorities is the most significant institutional gap identified in this analysis. Countries with strong sub-national governance (Poland, Portugal, Ireland, Czech Republic, Lithuania) — which have demonstrated effective local delivery of RRF components despite the absence of formal requirements — are best placed to advocate collectively, through the European Committee of the Regions and through national government representatives in the MFF post-2027 negotiations, for a formal local involvement obligation in any successor reform-linked financing instrument. The evidence base from the 11 countries provides concrete examples of what local delivery can achieve when given adequate design space, and equally concrete evidence of what is lost when it is not.

5. Conclusions

Local and regional involvement in EU fund implementation is not a procedural nicety — it is a **structural determinant of investment quality, absorption effectiveness and democratic legitimacy**. The 11 countries surveyed cover virtually the full spectrum of sub-national involvement models, from Portugal's structurally decentralised regional OP architecture to Hungary's suspended territorial delivery system, and from Poland's 24-territory ITI ecosystem to Estonia's two-city lean model.

Three conclusions stand out. First, the **quality of sub-national involvement matters more than its formal extent**: Hungary's nominally sophisticated TOP Plusz architecture is inoperative, while Estonia's minimal two-ITI model is highly effective. The critical variable is whether local and regional authorities have genuine decision-making authority, adequate capacity to exercise it, and a governance culture that supports it.

Second, the **RRF represents an unresolved tension in EU investment policy**. Its centralised milestone-based design has achieved real reform leverage but at the cost of marginalising local and regional authorities whose involvement is essential for effective delivery of building renovation, urban mobility and local service transformation. This tension must be resolved in the post-2027 architecture — the evidence from Lithuania, Portugal and Ireland shows that effective RRF local delivery is achievable, but only when national governments actively design it in.

Third, **Portugal's CIM ITI model, Lithuania's urban CLLD, Poland's multi-level ITI system and Ireland's Regional Assembly MA structure represent a set of complementary good practices that collectively address the principal challenges of decentralised EU fund delivery**: territorial coverage breadth, community-level inclusion, multi-fund integration and democratic accountability. The post-2027 regulatory architecture should systematically embed these practices as options available to all Member States, supported by adequate EU-level capacity investment and a regulatory framework that rewards — rather than merely permits — genuine local and regional ownership of EU investment.

Country Fact Sheets

Czech Republic

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (Integrated Regional OP — IROP)	11% of ERDF nationally (€1.15 bn) — above the 8% minimum; ITIs cover 13 metropolitan areas and agglomerations (Article 11 cities); regional OPs act as IBs for ITI territories	30–40%
ERDF (OP Just Transition — OP ST)	100% regionally targeted: Moravian-Silesian, Ústí nad Labem and Karlovy Vary regions; sub-regional implementation through territorial plans	25–30%
ESF+ (OP Employment Plus — OPZ+)	No urban earmark; targeted interventions for socially excluded localities (SEL) including urban deprived areas; regions act as IBs for 30% of ESF+	20%
RRF / NPO (Národní plán obnovy)	No formal urban earmark; building renovation and mobility components reach municipalities; estimated 20–25% of spending at sub-national level	83% (of total NPO disbursement; sixth payment August 2026)

The Czech Republic has one of the most developed ITI systems among the eleven countries, building on strong experience from the 2014–2020 period where ITIs were used across all major metropolitan areas.

Urban earmarking and ITI: The Czech Republic allocates 11% of its ERDF to sustainable urban development — above the 8% EU minimum. The instrument used is primarily the ITI, designated for 13 metropolitan areas and agglomerations. These include the Prague Metropolitan Area, Brno Metropolitan Area, Ostrava Agglomeration, Pilsen Agglomeration, Ústí nad Labem-Chomutov Agglomeration, Hradec Králové–Pardubice Agglomeration, Olomouc Agglomeration, Liberec-Jablonec Agglomeration, Central Bohemia Region, Zlín Agglomeration, České Budějovice Agglomeration, Mladá Boleslav Agglomeration (newly designated for 2021–2027), and Jihlava-Vysočina. Each ITI territory is governed by a metropolitan or agglomeration association of municipalities acting as the urban authority. These bodies hold delegated responsibility for selecting projects within the ITI envelope from the IROP and regional OPs.

A November 2024 European Urban Initiative event in Prague specifically addressed improving metropolitan cooperation for ITI implementation, reflecting that metropolitan governance across municipalities of varying administrative capacity remains a practical challenge. The Czech ITI model integrates both ERDF and ESF+ funding streams through the regional OPs, enabling cross-sectoral strategies addressing mobility, social inclusion, environment, and digitalisation in a single territorial framework.

CLLD: CLLD is used in rural areas through EAFRD-financed LEADER, but the Czech Republic uses cohesion-funded CLLD only to a limited extent for urban areas. The focus for urban SUD is clearly on ITIs.

JTF — regional targeting: The three JTF regions (Moravian-Silesian, Ústí nad Labem, Karlovy Vary) implement the Just Transition through regional territorial plans. Regional governments (kraj) are designated as intermediate bodies within OP Just Transition, ensuring sub-regional decision-making over the transition investment mix.

RRF / NPO — regional and local component: The NPO does not have formal urban or regional earmarking. However, building renovation, broadband connectivity in rural areas and municipal infrastructure components have direct local delivery. Municipalities can access renovation grants directly. Central coordination of the NPO sits with the Ministry of Finance, with line ministries as implementing bodies, rather than regional authorities.

Estonia

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (Cohesion Policy Programme 2021–2027)	8% of ERDF (€108 m) — minimum statutory threshold; urban SUD delivered through a dedicated PO5 priority within the unified programme; Tallinn and Tartu functional urban areas are the primary SUD territories	30–35%
ESF+ (Cohesion Policy Programme 2021–2027)	No formal urban earmark; local social inclusion, employment and education measures delivered via municipalities and county governments	25–30%
JTF (Cohesion Policy Programme — Ida-Viru component)	100% regionally targeted: entire JTF allocation directed to Ida-Viru County (oil shale transition); county government and local municipalities are formal ITI-level partners	35–40%
RRF / NRRP	No formal urban earmark; building renovation, broadband and local digital public services components reach municipal level; estimated 20% of RRF spending sub-national	66% disbursed — near the EU average of about 68%

Estonia's local and regional involvement in EU fund implementation is characterised by the country's small scale, high digital public administration capacity, and the strong role of municipalities in service delivery.

Urban earmarking and ITI: Estonia meets the 8% ERDF minimum for sustainable urban development. The unified Cohesion Policy Programme 2021–2027 includes a dedicated PO5 priority axis for sustainable urban development, delivered through ITI strategies for the two main urban functional areas: the Tallinn FUA (Harju County) and the Tartu FUA (Tartu County). These ITIs are governed by the city authorities of Tallinn and Tartu respectively, acting as delegated urban authorities for project selection within the ITI envelope. The strategies address sustainable urban mobility, green urban infrastructure, digital public services and social services.

Estonia's approach is deliberately centralised in programme management (Government Office as MA) but operationally decentralised for urban SUD through formal ITI delegation. CLLD is used in rural areas through EAFRD LEADER; there is no significant urban CLLD deployment.

JTF — Ida-Viru regional targeting: The entire Estonian JTF allocation (€350 m) is directed exclusively to Ida-Viru County — the northeast region wholly dependent on oil shale extraction and energy production. The Territorial Just Transition Plan for Ida-Viru was developed with direct participation of the county government and local municipalities. The county and municipal level are formal partners in the JTF governance structure, with a dedicated ITI-like mechanism channelling JTF resources to locally identified diversification projects.

RRF / NRRP — local component: The Estonian NRRP does not formally earmark resources for local authorities, but the building renovation (energy renovation of apartment buildings), local digital public services, and primary healthcare access components have clear sub-national delivery pathways. Estonia's high municipal administrative capacity means local implementation of RRF-funded measures is generally efficient.

Overall assessment: Estonia's small geographic scale and unified programme architecture allow for a coherent local involvement model where the two main urban areas operate genuine ITI strategies, the JTF is fully locally owned in Ida-Viru, and municipal capacity is adequate to absorb investment without large technical assistance requirements.

Hungary

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (TOP Plusz — Territorial and Settlement Development OP)	9.1% of ERDF nationally (€927 m); TOP Plusz is specifically the territorial OP delivering ERDF through county and city governments; however, €6.3 bn ERDF/CF is suspended under the Conditionality Regulation (€8.4 bn cohesion frozen in total) — urban earmark delivery severely constrained in practice	5–8% (severely constrained by rule-of-law suspension)
ESF+ (ESZA Plusz)	No formal urban earmark; social inclusion ESF+ components nominally reach local level through municipal social service providers; effective delivery minimal due to conditionality constraints	5%
JTF (Mátra and Borsod regions)	100% regionally targeted: Mátra (Heves County) and Borsod-Abaúj-Zemplén County coal/industrial transition areas; county governments formally involved; effective JTF delivery constrained by conditionality	5–10%
RRF / NRRP (Hungary)	No formal urban earmark; only 9% of total NRRP disbursed; local/regional component effectively zero given near-total blockage of fund access	9% (total NRRP — not urban-specific)

Hungary's local and regional involvement framework is largely theoretical in the current period, as the combined effect of rule-of-law conditionality suspensions has rendered most of the cohesion envelope — and virtually all of the RRF — inaccessible.

Formal framework — what was designed: Hungary's programme architecture includes TOP Plusz (Territorial and Settlement Development OP) as the dedicated vehicle for regional and local ERDF delivery. TOP Plusz allocates ERDF through county governments (20 counties + Budapest) as intermediate bodies, and through direct grants to settlements (municipalities). This model, if operational, would represent one of the most decentralised sub-national delivery systems in the sample — with counties holding substantive decision-making authority over the regional ERDF envelope. The formal ERDF urban earmark is 9.1%.

ITI and urban SUD tools were designed for Budapest Metropolitan Area and key secondary cities (Debrecen, Pécs, Győr, Miskolc, Székesfehérvár). County-level integrated development strategies underpin TOP Plusz's territorial approach. CLLD was also planned for use in urban deprived areas.

Effective delivery — severely constrained: In practice, approximately €6.3 billion of cohesion funds remain suspended under the Conditionality Regulation (approximately €8.4 billion of cohesion funding is frozen in total, including horizontal enabling-condition blockages), including the ERDF envelope that would finance TOP Plusz and urban SUD. County governments and municipalities have been unable to receive the bulk of the TOP Plusz allocations. The JTF for Mátra and Borsod is nominally operational to a limited degree, but overall fund flows to regional and local level are minimal.

The RRF situation is even more severe: with only 9% of the NRRP disbursed, virtually no local or regional RRF spending is occurring. Hungary permanently lost approximately €1 billion in 2024 due to the N+3 decommitment rule — funds that would partially have financed sub-national investments.

Commission Rule of Law Report (July 2025) finding 'no progress' on 7 of 8 recommendations means no near-term improvement in fund access is anticipated.

Ireland

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (Southern & Eastern Regional Programme — SERP)	9% of ERDF nationally (€36 m); urban SUD delivered through dedicated urban sustainable development actions in principal cities (Dublin, Cork, Waterford, Kilkenny) within SERP; Southern and Eastern Regional Assembly as MA	35–45%
ERDF (Northern & Western Regional Programme — NWRP)	9% (shared national earmark) — urban SUD in NWRP covers Galway, Sligo and Letterkenny; Northern and Western Regional Assembly as MA; NWRP also addresses rural and remote area needs	30–40%
ESF+ (EIST Programme)	No formal urban earmark; social inclusion and employment measures reach urban disadvantaged areas; SICAP (Social Inclusion and Community Activation Programme) operates at local level alongside ESF+	30–35%
JTF (Midlands Programme)	100% regionally targeted: the Midlands region (Laois, Longford, Offaly, Roscommon and Westmeath counties) — peat transition; local authorities and Bord na Móna as key delivery partners	35–40%
RRF / NRRP (Ireland)	No formal urban earmark; building renovation (including social housing via Local Authorities), EV charging infrastructure (local authority-led deployment), childcare (local authority planning); estimated 20–25% of NRRP spending involves local authority delivery	81% (total NRRP; fourth payment May 2026)

Ireland's local and regional involvement in EU fund implementation is shaped by two distinctive features: the use of Regional Assemblies as managing authorities for the ERDF, and the modest scale of the overall cohesion envelope, which means urban SUD is focused on targeted city-level programmes rather than comprehensive ITI systems.

Urban earmarking and regional programme delivery: Ireland's ERDF is managed through two Regional Assembly-managed programmes (SERP and NWRP), each covering approximately half of the country by geographic area. This is one of the most decentralised ERDF delivery models in the sample — Regional Assemblies hold genuine MA status with full programming, selection and monitoring responsibilities.

Within each programme, 9% of ERDF (combined, at national level) is allocated to sustainable urban development. However, rather than designating formal ITIs, Ireland has adopted a targeted urban sustainable development approach — designating specific cities and towns within each programme as eligible SUD territories and delegating project selection to the relevant local authorities. In SERP, the designated SUD cities include Dublin, Cork, Waterford and Kilkenny. In NWRP, Galway, Sligo and Letterkenny are the main SUD territories.

This approach gives Irish local authorities (county and city councils) genuine decision-making authority over the urban ERDF investment mix, operating as the functional equivalent of an urban authority in ITI

terms without the formal ITI designation. The model suits Ireland's planning and local government structure, where Local Authorities have historically been the primary urban investment planners.

CLLD: Ireland does not use formal cohesion-funded CLLD. Community-level social intervention is channelled through complementary national programmes — principally SICAP (Social Inclusion and Community Activation Programme), funded nationally, and the Community Enhancement Programme — rather than through ERDF/ESF+ CLLD. ESF+ community-level delivery goes through SOLAS and Tusla as implementing bodies.

JTF — Midlands peat transition: The Irish JTF is entirely directed to the Midlands region, covering five counties (Laois, Longford, Offaly, Roscommon and Westmeath) affected by the wind-down of peat harvesting by Bord na Móna. Local authorities in these five counties are formally involved in the JTF governance structure, alongside Bord na Móna (the semi-state peat company managing the transition) and the Department of Environment, Climate and Communications as the managing authority. The Midlands JTF is performing well — peat transition is ahead of schedule — partly because the affected territory is well-defined and the transition timeline was fixed by government energy policy.

RRF / NRRP — local authority delivery: Ireland's NRRP includes components with direct local authority delivery roles: social housing energy renovation (Local Authorities as social landlords are major beneficiaries of the building retrofit stream), EV charging infrastructure (rolled out partly through Local Authority area plans), and childcare infrastructure. The Department of Housing, Local Government and Heritage coordinates NRRP components relevant to local authorities. The PEACE Plus cross-border programme (jointly governed with Northern Ireland) is a unique case of cross-border local involvement, with a joint programme secretariat managing cross-border community development and reconciliation projects.

Latvia

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (National OP — ERDF/CF)	9% of ERDF (€167 m) — above 8% minimum; urban SUD delivered primarily through ITIs for Riga Metropolitan Area and other Latvian cities (Daugavpils, Jelgava, Jēkabpils, Jūrmala, Liepāja, Rēzekne, Valmiera, Ventspils)	25–30%
ESF+ (National OP — ESF+)	No formal urban earmark; targeted interventions for deprived communities including urban areas; Riga Planning Region involved in ESF+ social inclusion delivery	20–25%
JTF (National OP — peat transition)	100% regionally targeted: peat-producing areas (primarily Vidzeme and Zemgale regions); small JTF allocation (€50 m) with local municipal involvement in transition plans	20%
RRF (Latvian RRF Plan)	No formal urban earmark; building renovation, municipal water management and local digital services reach sub-national level; estimated 20–25% of RRF spending sub-national	74% disbursed (fourth payment May 2026)

Latvia's local and regional involvement model reflects a consolidated, Ministry of Finance-led national programme architecture, with ITIs as the primary vehicle for sub-national urban delivery.

Urban earmarking and ITI: Latvia allocates 9% of its ERDF to sustainable urban development, slightly above the 8% minimum. ITIs are designated for Latvia's urban functional areas, covering Riga (the dominant urban centre) and several secondary cities: Daugavpils, Jelgava, Jēkabpils, Jūrmala, Liepāja, Rēzekne, Valmiera and Ventspils. Each ITI strategy is prepared by the relevant city or municipal authority, which acts as the delegated urban authority for project selection.

The Riga ITI is the largest, reflecting the capital's dominance in Latvia's urban system. The Riga Planning Region (Rīgas plānošanas reģions) plays an active coordination role, linking the city ITI with broader metropolitan area planning. ITI strategies address sustainable urban mobility (electric trams, cycling infrastructure), energy renovation of public buildings, urban social services and digital public services.

Latvia uses the Ministry of Finance-led national OP structure (separate ERDF/CF and ESF+ programmes), with the Investment and Development Agency of Latvia (LIAA) and relevant line ministries as implementing bodies. Urban authorities hold delegated ITI project selection authority but within budget envelopes defined by the national MA.

JTF — peat region targeting: Latvia's small JTF (€50 m) targets peat-producing areas in Vidzeme and Zemgale regions. Given the small scale, the JTF is treated as a targeted sub-regional envelope within the national OP, with local municipal authorities as the primary beneficiaries for land restoration and economic diversification.

RRF — regional and local component: The Latvian RRF plan includes components for municipal water and wastewater management (addressing EU environmental directives), building renovation, and digitalisation of local public services. These reach sub-national level, but formal decision-making authority rests with line ministries. The Riga Planning Region has a coordination role in ensuring RRF investments complement regional development strategy.

Lithuania

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (Structural Funds Investment OP)	8% of ERDF (€220 m) — minimum statutory threshold; urban SUD delivered through ITIs for 5 urban functional areas (Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys); CLLD used for social inclusion in urban deprived areas	30–35%
ESF+ (ESF+ Employment and Social Innovation Programme)	No formal urban earmark; CLLD used for social inclusion in deprived urban communities (ESF+-financed Local Action Groups in cities); social inclusion ESF+ measures targeted at urban deprived localities	25–30%
JTF (JTF Programme — Kalvarija–Kazlų Rūda)	100% regionally targeted: Kalvarija–Kazlų Rūda sub-region (peat and industrial transition); local municipalities formally involved in Territorial Just Transition Plan implementation	25–30%
RRF / NRRP (Lithuania)	No formal urban earmark; building renovation (4,000 multi-apartment buildings — municipalities as implementing partners), local heating system decarbonisation; estimated 25–30% of RRF spending sub-national	74% disbursed (August 2026); the January 2026 partial suspension was resolved in March 2026

Lithuania's urban involvement model combines ITIs for the five main urban centres with active use of CLLD for urban social inclusion — one of the few countries in the sample that deploys ESF+-funded CLLD in cities.

Urban earmarking and ITI: Lithuania meets the 8% ERDF minimum for sustainable urban development through ITIs designated for five urban functional areas: Vilnius Metropolitan Area, Kaunas FUA, Klaipėda FUA, Šiauliai FUA and Panevėžys FUA. Each ITI is governed by the relevant municipal authority (savivaldybė) in partnership with surrounding municipalities within the functional area. The Central Project Management Agency (CPMA) provides implementing support and quality assurance for ITI project pipelines.

ITI strategies cover sustainable urban mobility (including electric bus fleets, cycling networks), social inclusion, energy renovation of public buildings, digital public services and green urban infrastructure. The Vilnius ITI is the largest and most complex, covering the capital city and its suburban municipalities.

CLLD for urban social inclusion: Lithuania is one of the countries explicitly continuing to use ESF+-funded CLLD in urban areas for social inclusion. Urban Local Action Groups (LAGs) operate in deprived city districts in Vilnius, Kaunas and other cities, implementing small-scale community-led projects addressing poverty, long-term unemployment and social exclusion. This complements the ITI approach with a bottom-up, community-ownership layer.

JTF — Kalvarija–Kazlų Rūda targeting: The Lithuanian JTF targets a specific sub-regional peat and industrial transition area (Kalvarija municipality and Kazlų Rūda municipality in the Marijampolė region). The Territorial Just Transition Plan was co-developed with local governments. The small scale of the JTF (€140 m) means local implementation is intensive, with municipalities as primary beneficiaries for economic diversification, retraining and land restoration.

RRF / NRRP — building renovation and local heating: The Lithuanian NRRP's building renovation component (targeting 4,000 multi-apartment buildings) is one of the largest and most locally impactful RRF components. Municipalities and housing management companies act as implementing partners. District heating decarbonisation is delivered through municipal energy companies. The Council approved NRRP amendments in February 2026 to facilitate smoother implementation of these locally-delivered components.

Poland

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (16 Regional Programmes)	9% of ERDF nationally (€3.4 bn) — above 8% minimum; ITIs mandatory for all 16 voivodeship capitals' functional urban areas; additional sub-regional ITIs (RTIs) in larger secondary cities in selected voivodeships	25–35%
ESF+ (16 Regional Programmes)	Regional OPs integrate ERDF and ESF+; ESF+ urban and social inclusion components co-delivered via ITI strategies in functional urban areas; CLLD used for social inclusion via Local Action Groups in urban areas	20–30%
JTF (OP Just Transition — 5 regions)	100% regionally targeted: Silesia, Greater Poland, Lower Silesia, Łódź and Lesser Poland; sub-regional coal community transition plans designate specific municipalities and counties	20–25%
RRF / KPO (Krajowy Plan Odbudowy)	No formal urban earmark; local government component present in building renovation (municipalities) and healthcare; estimated 25–30% reaches local/regional level. Municipalities excluded from direct KPO access in most components (national delivery model).	62% (of total KPO disbursement, following the 4th payment of €7.2 bn on 2 June 2026)

Poland has the most extensive and institutionally sophisticated ITI system among the eleven countries, reflecting its scale (16 regions, 38 million population) and the central role of urban functional areas in Polish regional policy since 2014.

Urban earmarking and ITI: Poland's ERDF urban earmarking reaches 9% nationally, but the volume in absolute terms — approximately €3.4 billion — is the largest single urban ERDF earmark in the EU. ITIs are implemented at two levels:

- 1. Voivodeship-level ITIs (mandatory):** All 16 voivodeship capitals have designated Functional Urban Area (FUA) ITI strategies. These cover the capital city and its surrounding commuting belt, addressing transport, social services, environment and digital connectivity. The metropolitan/city association or voivodeship marshal office acts as the urban authority for ITI project selection.
- 2. Sub-regional ITIs (Regional Territorial Investments — RTIs):** In selected voivodeships (Lower Silesia, Silesia, Greater Poland, West Pomerania), additional ITIs or RTIs have been designated for secondary cities (e.g. Wałbrzych, Rybnik, Kalisz, Koszalin). These address sub-regional development needs below the capital city level.

Poland's 16 regional programmes (one per voivodeship) act as the primary vehicle for sub-national delivery. Each is managed by the voivodeship marshal's office (Marszałek) as the managing authority, giving regional self-governments full programmatic ownership over the regional ERDF and ESF+ envelopes. This creates a genuinely decentralised delivery model with strong local political accountability.

CLLD: Poland uses CLLD for social inclusion via Local Action Groups (LAGs) in urban and peri-urban areas, financed through ESF+. Urban CLLD complements ITIs by targeting deprived neighbourhoods within cities. Rural CLLD is financed through the EAFRD LEADER programme.

JTF — regional targeting: The five JTF regions (Silesia, Greater Poland, Lower Silesia, Łódź, Lesser Poland) each have Territorial Just Transition Plans designating specific coal-dependent municipalities and sub-regions. In Silesia — by far the largest JTF territory in the EU — the plan covers 71 municipalities directly dependent on coal. Local governments are formally consulted in plan implementation and sit on the JTF monitoring sub-committee.

RRF / KPO — local component: The KPO is primarily implemented through national-level structures. Unlike cohesion programmes, local governments are not direct beneficiaries in most KPO components. The main exception is the building renovation stream (thermal modernisation of multi-family residential buildings), where housing cooperatives and municipal entities are beneficiaries. The healthcare component is delivered through voivodeship-level health authorities. Central government delivery dominates the green energy and digital components.

Portugal

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (5 Regional Operational Programmes — CCDRs)	16.3% of ERDF nationally (€1.87 bn) — highest in the sample and significantly above 8% minimum; ITIs used extensively through regional programmes managed by CCDRs; strong urban focus in Lisbon and Porto Metropolitan Areas and regional centres	35–45%
ERDF (Thematic OPs — national)	No dedicated urban earmark in national thematic OPs; urban-relevant investments (digital, R&I, energy) through national OPs complement regional ITIs	25–35%
ESF+ (Demographics, Qualifications and Inclusion OP)	No formal urban earmark; social inclusion and employment interventions reach urban deprived areas; CLLD used for deprived communities in urban and peri-urban areas	30–35%
JTF (Setúbal and Sines areas)	100% regionally targeted: Setúbal Peninsula (Barreiro-Seixal industrial area) and Sines energy transition area; Alentejo and Lisbon Metropolitan CCDRs involved in territorial transition plans	25–30%
RRF / PRR (Portugal)	No formal urban earmark; building renovation, sustainable housing, urban transport components reach municipal level; estimated 25–30% of PRR spending sub-national; Lisbon and Porto metropolitan areas are major PRR beneficiaries for urban regeneration	78% (total PRR; ninth payment August 2026)

Portugal's exceptional 16.3% ERDF urban earmarking rate reflects the country's historically strong commitment to integrated urban development and the significant role of the five regional CCDR-managed OPs in territorial delivery.

Urban earmarking, ITI and regional programmes: In Portugal's programme architecture the Regional Operational Programmes (managed by the five Coordination Commissions for Regional Development — CCDRs) serve as the primary delivery vehicle for ERDF investment, with a strong focus on urban and territorial development. The CCDRs function as regional managing authorities with significant autonomous decision-making power, unlike the more centralised models seen in CEE countries.

ITIs are used extensively within the regional OPs. Two types of ITI instruments are deployed:

1. **ITI for Intermunicipal Communities (CIMs — *Comunidades Intermunicipais*):** These pool ERDF resources across groups of municipalities for integrated territorial strategies, particularly in lower-density interior regions. This is Portugal's most distinctive ITI innovation — using the instrument not just for urban areas but for rural-urban partnership territories.
2. **ITI for Urban Networks:** Applied to polycentric urban networks in regions without a dominant single metropolitan area (e.g. Centre and Alentejo regions), enabling smaller cities to pool resources for joint strategies.

The Lisbon Metropolitan Area (AML) and Porto Metropolitan Area (AMP) are the two dominant urban ITI territories, governed by their respective inter-municipal associations. The AML and AMP ITIs address sustainable urban mobility, energy renovation, social housing, digital services and cultural heritage.

CLLD: Portugal has used CLLD in rural and peri-urban areas through EAFRD LEADER since 2014. For 2021–2027, Portugal has opted to discontinue cohesion-funded urban CLLD (focusing urban SUD on ITIs), while maintaining rural LEADER under the EAFRD. This is consistent with a broader European trend toward concentrating urban SUD on ITIs.

JTF – Setúbal and Sines transition: Portugal's JTF targets the Setúbal Peninsula (Barreiro and Seixal municipalities, transitioning from chemical and metallurgical industries) and the Sines area (transitioning from coal-fired power to renewable energy). The Lisbon Metropolitan Area CCDR and Alentejo CCDR are involved in transition plan governance. The JTF is modest in size (€200 m) but strategically significant given Sines' role as a proposed green hydrogen hub.

RRF / PRR – urban and municipal components: The Portuguese PRR (one of the strongest RRF performers, at 78% disbursed following the ninth payment in August 2026) includes important urban delivery components: building renovation (Efficient Building programme, benefiting municipalities and social housing), sustainable housing (Mais Habitação programme addressing housing affordability in Lisbon and Porto), urban mobility and low-carbon transport. The Lisbon Metropolitan Area and Porto Metropolitan Area are major PRR beneficiaries, bridging the formal national PRR architecture with sub-national implementation.

Romania

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (8 Regional Programmes)	8% of ERDF nationally (€1.26 bn) — minimum threshold; urban SUD delivered through ITIs for 7 growth poles and metropolitan areas; Regional Development Agencies (ADRs) manage regional OPs and ITI envelopes	15–20%
ERDF (OP Large Infrastructure — national)	No urban earmark; national OP funds transport and environment; urban mobility projects (Bucharest Metro, Tram Metropolitan) included as sectoral investments outside ITI mechanism	10–15%
ESF+ (OP Human Capital + OP Social Inclusion)	No formal urban earmark; social inclusion components target urban deprived neighbourhoods; CLLD used for marginalised communities (Roma, poor urban areas)	15–20%
JTF (4 coal/lignite regions)	100% regionally targeted: Oltenia, Jiu Valley, Mureş and other coal regions; Regional Development Agencies and county councils as intermediate bodies	15–20%
RRF / PNRR (Romania)	No formal urban earmark; building renovation (local authorities as beneficiaries), urban public transport decarbonisation, local healthcare; estimated 20–25% of PNRR spending sub-national	61% (total PNRR — not urban-specific; 4th payment authorised June 2026)

Romania has the most complex territorial delivery architecture among the eleven countries — 8 regional programmes plus 9 national programmes — and the weakest local and regional implementation capacity, which is a persistent root cause of low absorption.

Urban earmarking and ITI: Romania meets the 8% ERDF minimum for sustainable urban development through its regional programmes. ITIs are designated for Romania's main urban functional areas (growth poles), including Bucharest–Ilfov Metropolitan Area, Cluj-Napoca Metropolitan Area, Timișoara Metropolitan Area, Iași Metropolitan Area, Brașov Metropolitan Area, Constanța Metropolitan Area and Craiova Metropolitan Area. Each ITI strategy covers sustainable urban mobility, social inclusion, energy renovation and digital public services for the functional urban area.

The 8 Regional Development Agencies (ADRs) are the managing authorities for the Regional Programmes, making them the largest sub-national ERDF managing authorities in the sample by programme count. ADRs act as IBs for ITI project selection, with urban authorities formally delegated for strategy implementation. However, the ADR system's administrative capacity has been persistently weak: ADRs suffer from staff turnover, limited IT systems and heavy dependence on technical assistance for operational functions.

CLLD: Community-Led Local Development is used in Romania for marginalised communities, particularly Roma communities and deprived urban neighbourhoods in medium-sized cities. ESF+-funded CLLDs target social inclusion through Local Action Groups in urban areas. EAFRD LEADER funds rural CLLD. Romania has been more active in CLLD than most CEE peers, partly due to high levels of multi-dimensional poverty requiring community-led approaches.

JTF — coal region targeting: Romania's four JTF territories (Oltenia — centred on Rovinari and Turceni power plants; Jiu Valley coal mining area; Mureş industrial transition; and other smaller areas) are implemented through the ADRs and county councils as intermediate bodies. The Oltenia region is the most significant, as it holds Europe's largest open-cast lignite operations (operated by CE Oltenia). Local municipalities are formal partners in the Territorial Just Transition Plans.

RRF / PNRR — sub-national delivery: The Romanian PNRR includes components with direct local delivery: building renovation (multi-family residential, schools, hospitals through local authorities), urban public transport decarbonisation (Bucharest metro and metropolitan rail are major beneficiaries), local healthcare access, and school renovation. The 4th PNRR payment (€2.62 bn, approved May 2026) includes deliverables related to local administrative capacity reform — addressing the structural root cause of weak sub-national implementation.

Slovakia

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (Programme Slovakia 2021–2027)	8% of ERDF (€320 m) — minimum statutory threshold; delivered via ITI for urban functional areas and CLLD for rural/peri-urban territories	20–25% (early-stage contracting)
ESF+ (Programme Slovakia 2021–2027)	No formal urban earmark; social inclusion and employment measures include locally targeted interventions in marginalised Roma communities and urban deprived neighbourhoods	15–20%
JTF (Programme Slovakia 2021–2027 — Upper Nitra)	100% regionally targeted (Upper Nitra coal region — Trenčín NUTS 2 region); entire allocation directed to a single sub-regional territory	30%
RRF / NRRP (Plán obnovy)	No formal urban earmark. Regional/local component present: municipal building renovation (energy efficiency), local infrastructure grants, primary healthcare at local level. Estimated 15–20% of spending reaches sub-national level directly.	81% (of total NRRP, not urban-specific; 6th and 7th payments received May 2026)

Slovakia's approach to local and regional involvement in EU fund implementation for 2021–2027 is shaped by the consolidation of all cohesion instruments into a single national programme — Programme Slovakia (PS 2021–2027). This design concentrates management authority at the national level (Central Coordination Body under the Office of the Government), while local and regional involvement is channelled through specific territorial tools within the programme.

Urban earmarking and ITI: Slovakia meets the 8% ERDF minimum for sustainable urban development (SUD) through a combination of Integrated Territorial Investments (ITIs) and Community-Led Local Development (CLLD). ITIs are designated for urban functional areas (functional urban areas — FUAs) centred on Slovakia's largest cities: Bratislava, Košice, Prešov, Nitra, Žilina, Banská Bystrica and Trnava. Each ITI is governed by a designated urban authority acting as the delegated body responsible for project selection within the ITI territory. The ITI strategies cover sustainable urban mobility, energy renovation of public buildings, social services, digital public services and urban green infrastructure.

CLLD is used primarily in peri-urban and rural areas, operating through Local Action Groups (LAGs) that prepare and implement Community-Led Local Development strategies financed from ERDF and ESF+. Slovakia had a well-established CLLD tradition from the 2014–2020 period, which it has carried forward. Notably, Slovakia has decided not to use cohesion-funded CLLD for urban areas in the 2021–2027 period (urban CLLD discontinued), concentrating urban territorial tools exclusively on ITIs.

JTF — regional targeting: The entire JTF allocation (€0.9 bn) is directed exclusively to the Upper Nitra region (Trenčín kraj), specifically the communities affected by the wind-down of coal mining and the Nováky and Zemianske Kostolany power plants. The Territorial Just Transition Plan for Upper Nitra designates local municipalities and the Trenčín self-governing region as active implementation partners. The JTF is managed within Programme Slovakia but treated as a dedicated territorial envelope.

RRF / NRRP — regional and local component: The Slovak NRRP does not formally earmark funds for regions or local authorities but several components have direct sub-national delivery. The building renovation component (energy efficiency of multi-apartment residential buildings and public buildings) is implemented through municipal public bodies. The primary healthcare accessibility component finances local health centres. The digitisation of public services benefits both national and local administrations. Estimates suggest approximately 15–20% of NRRP spending reaches local and regional level directly, though no formal disaggregation is published.

Slovenia

FUND / INSTRUMENT	URBAN/REGIONAL EARMARKING (% OF TOTAL ALLOCATION)	VOLUME OF CONTRACTED PROJECTS (% OF EARMARKED ALLOCATION)
ERDF (Cohesion Policy Programme 2021–2027)	8.7% of ERDF (€129 m) — above 8% minimum; urban SUD delivered through ITIs for Ljubljana Urban Region and other Slovenian urban areas (Maribor, Celje, Koper, Kranj, Velenje); PO5 priority axis dedicated to territorial development	30–35%
ESF+ (Cohesion Policy Programme 2021–2027)	No formal urban earmark; social inclusion and employment measures reach municipal level; CLLD used for rural and peri-urban areas through EAFRD LEADER	20–25%
JTF (Zasavje and Šaleška Valley)	100% regionally targeted: Zasavje region and Šaleška Valley (Velenje area) — coal and lignite transition; municipal governments are formal partners in Territorial Just Transition Plans	35–40% (JTF performing well)
RRF / NRRP (Slovenia)	No formal urban earmark; building renovation, smart mobility and local digital services components reach municipal level; estimated 20–25% of NRRP spending sub-national	67% disbursed (sixth payment July 2026)

Slovenia's local and regional involvement model reflects the country's single-programme architecture managed by SVRK (Government Office for Development and European Cohesion Policy), with territorial tools embedded within the unified programme.

Urban earmarking and ITI: Slovenia allocates 8.7% of its ERDF to sustainable urban development, modestly above the 8% minimum. Integrated Territorial Investments are designated for Slovenia's urban functional areas. The Ljubljana Urban Region ITI is the largest, covering the capital and its surrounding municipalities. ITIs are also designated for Maribor, Celje, Koper, Kranj and Velenje functional areas. Urban authorities (county/municipal associations) hold delegated project selection authority within the ITI budgets.

ITI strategies address sustainable urban mobility (including Park & Ride, cycling infrastructure, low-emission zones), energy renovation of urban buildings, digital public services, green urban spaces and social infrastructure. The PO5 (Europe closer to citizens) priority axis within the unified programme serves as the formal vehicle for both urban ITI and rural territorial development, reflecting the cohesion policy principle of territorial balance.

CLLD: Community-Led Local Development is used in rural and peri-urban areas through EAFRD-financed LEADER. There is no significant cohesion-funded urban CLLD deployment in Slovenia.

JTF — Zasavje and Šaleška Valley: Slovenia's JTF targets two sub-regional territories: the Zasavje region (centred on Trbovlje, Hrastnik and Zagorje ob Savi) and the Šaleška Valley (centred on Velenje), both historically dependent on coal and lignite mining. The Territorial Just Transition Plans for both territories were co-developed with local municipalities and the affected workers' organisations. The JTF is performing ahead of schedule, with the coal transition in these areas progressing rapidly due to strong local political will and clear economic alternatives (Velenje's transition to renewables and manufacturing).

RRF — local delivery components: The Slovenian NRRP includes building renovation, smart mobility and local digital services components that channel investment through municipal authorities. The proportion of sub-national delivery is estimated at 20–25% of NRRP spending.