

FUNCTIONAL AREAS IN THE EU

PROJECT INSIGHTS

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COTER External Seminar
Functional Areas' role in strengthening Cohesion Policy
Balatonfüred, Hungary
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THE WORLD BANK

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What we will cover:

- 1 How can functional areas support Cohesion Policy?**
- 2 Insights from the 'Functional Areas in the EU' pilot project**
- 3 The new 'Methodological Toolkit' for functional areas**



FUNCTIONAL AREAS IN THE EU

Crossing administrative boundaries for green transition and sustainable development



How can functional areas support Cohesion Policy?

Complex challenges

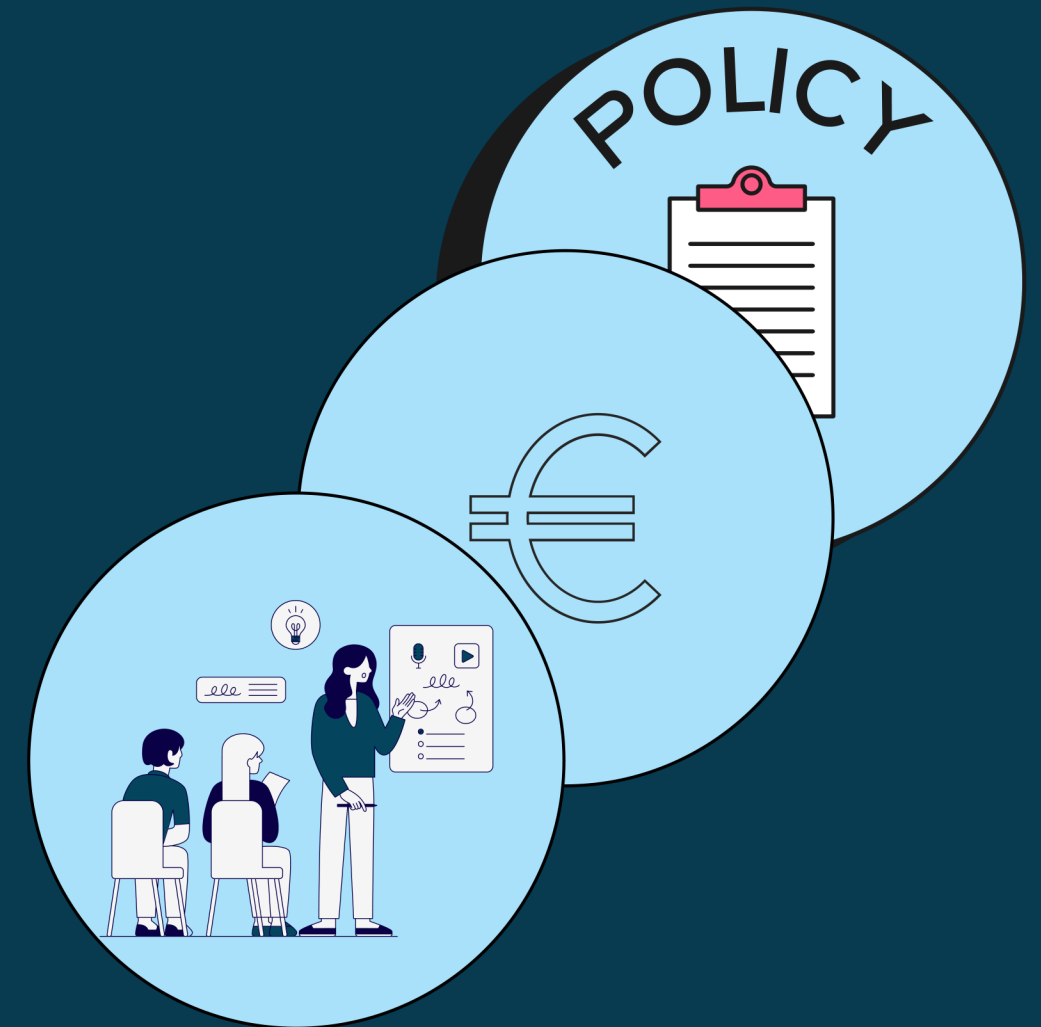
- climate change
 - just transition
 - demographic decline
 - mobility
 - air quality
 - biodiversity and environmental protection
-
- ‘geography of discontent’
 - negative competition
 - limited financial resources

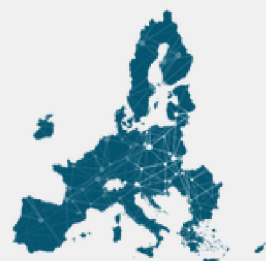


**Functional
Areas**



**Instruments:
Policies, Funding,
Capacity-building**





FUNCTIONAL AREAS IN THE EU

Crossing administrative boundaries for green transition and sustainable development

What is a 'functional area'?

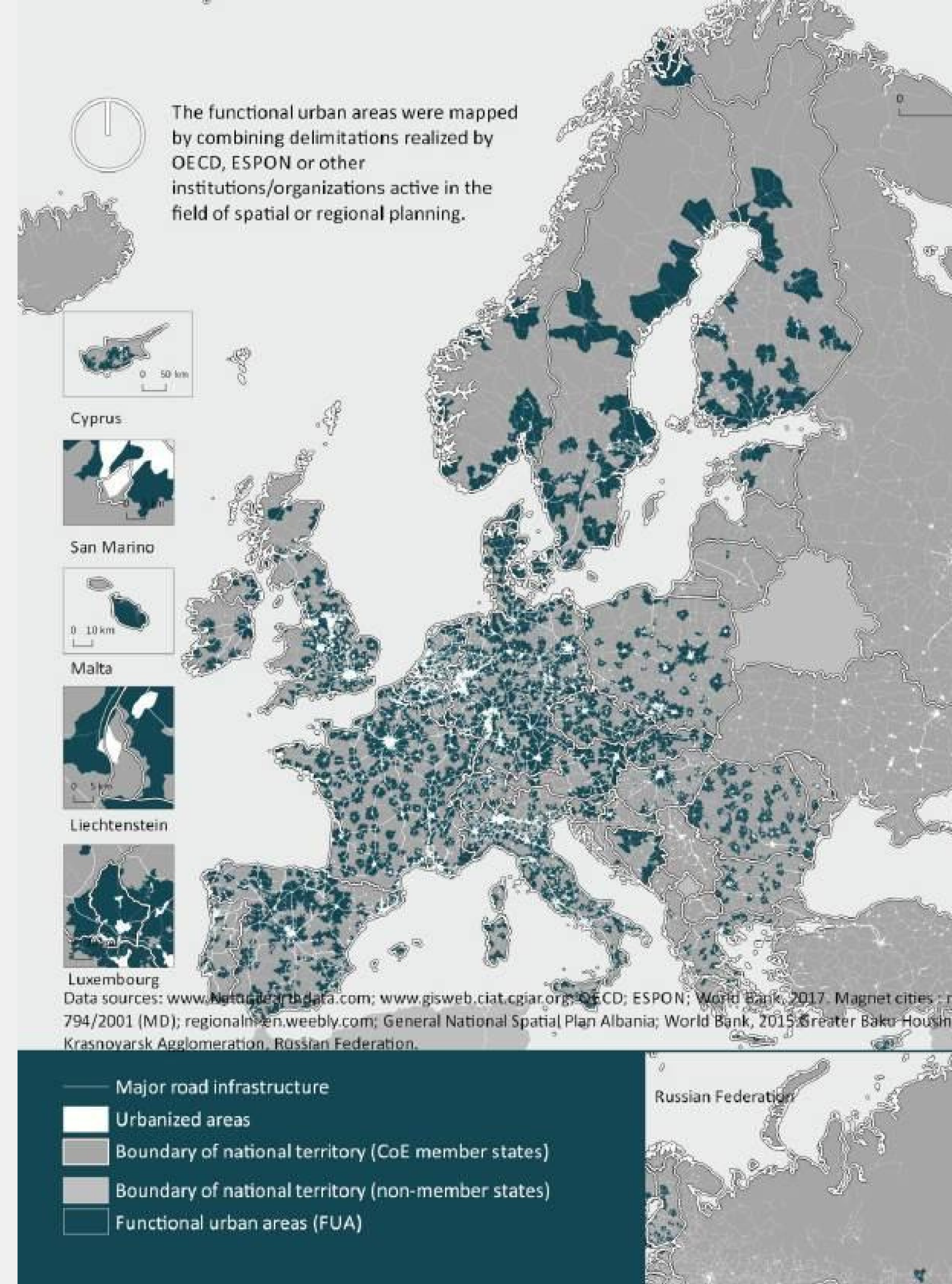
An area or region that:

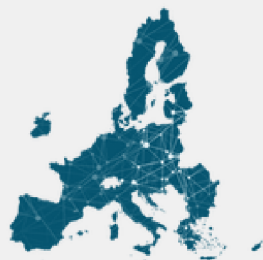
- operates as a **single system**
- is defined by the **internal system of interactions and relations**
- covers, in full or in part, the **territory of several administrative units which cooperate and are linked together** through economic, communications, transport and other activities.

(CEMAT, 2020)

OECD defines functional territories as '**a tool for territorial statistics and regional policy-making**'.

(OECD, 2020)





FUNCTIONAL AREAS IN THE EU

Crossing administrative boundaries for green transition and sustainable development

The functional area approach contributes directly to Cohesion Policy objectives.



Integrated territorial development



Addressing complex challenges



Place-based approach



Partnership and participation



Economic development and competitiveness



Improving the impact of EU funds



FUNCTIONAL AREAS IN THE EU

**Cohesion Policy acted as a catalyst
for Member States to promote
integrated territorial development.
(Growth Pole Policy; ITI, CLLD, OTT)**



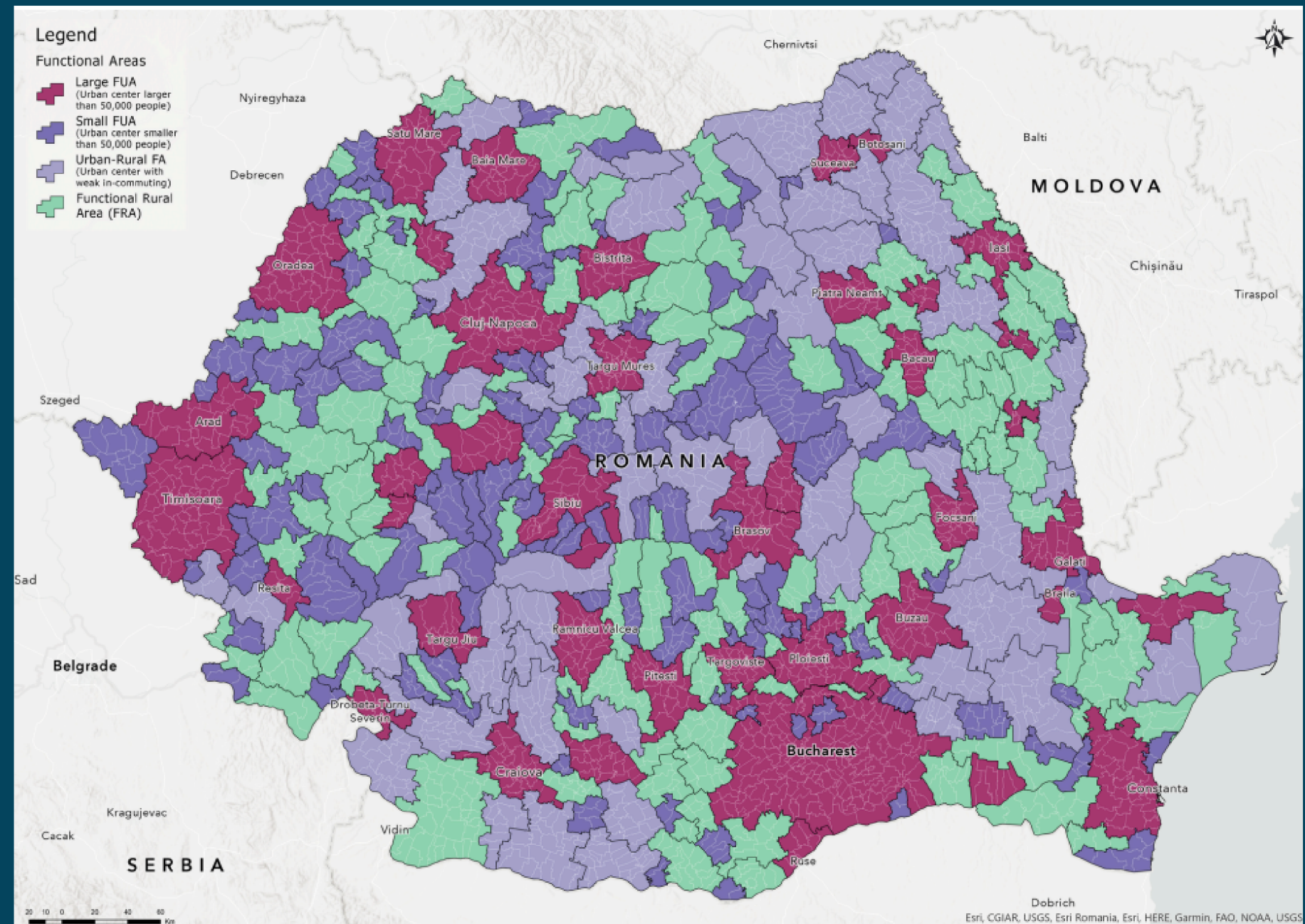
Existing experience in
functional areas can
inform a novel approach
to **territorial targeting of
Cohesion Policy.**



FUNCTIONAL AREAS IN THE EU

Delineation of Functional Urban and Rural Areas (Romania)

Example of zonification of a territory with standard functional areas, that can enable better targeting of development issues in lagging regions.





FUNCTIONAL AREAS IN THE EU

Crossing administrative boundaries for green transition and sustainable development



‘Functional Areas in the EU’ project insights

'FUNCTIONAL AREAS IN THE EU' PROJECT (2021-2024)

The project was launched in 2021 by the European Commission's **Directorate-General for Regional and Urban Policy (DG REGIO)** and the **World Bank**.

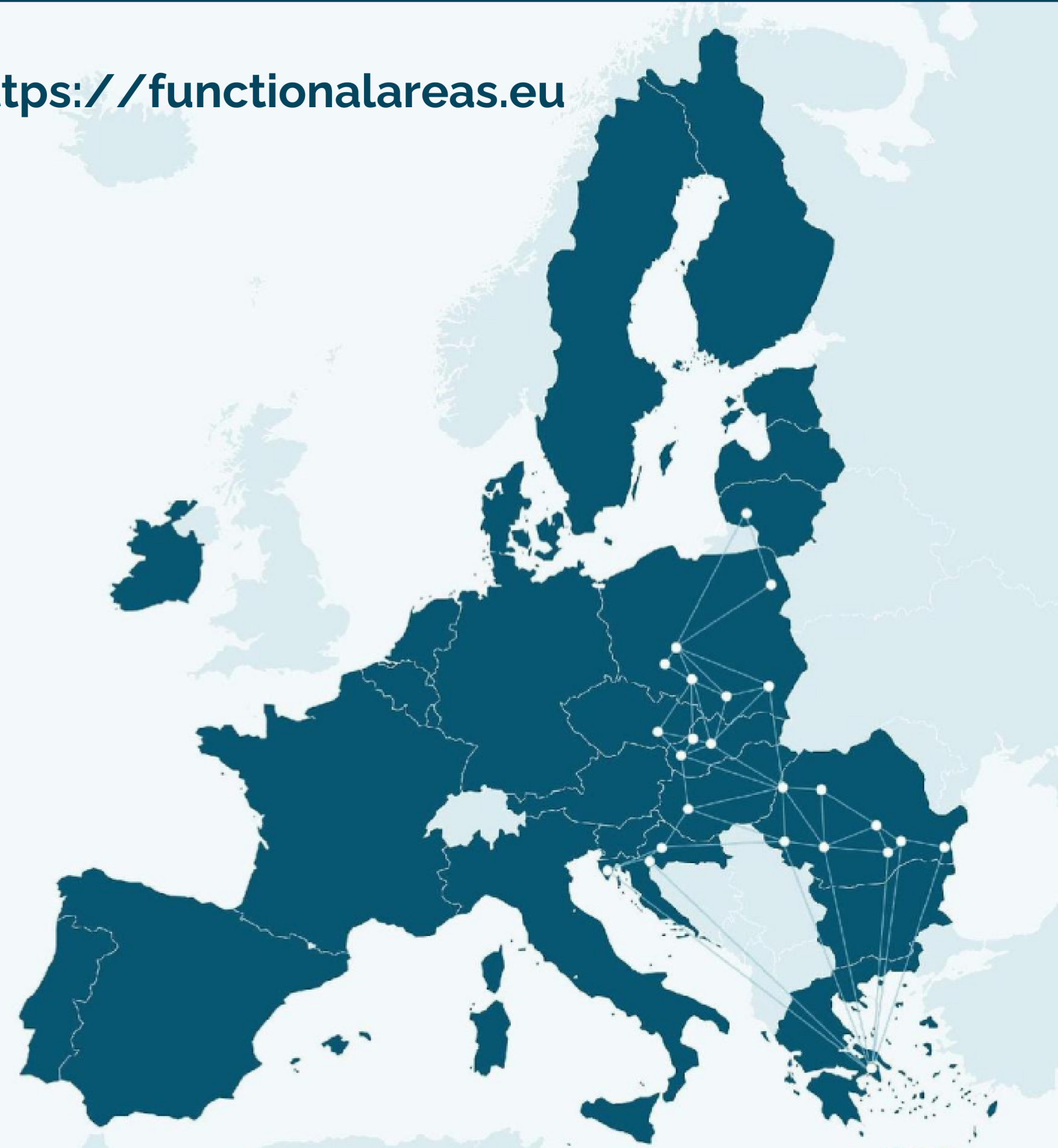
Target group:

24 FAs from eight MSs selected in an open EU-wide call (Tier 1&2).

Objectives:

- provide tailor-made TA to strengthen competencies of target FAs (**action plans**)
- facilitate knowledge exchange and peer learning
- provide guidance to a broader group of FAs (**toolkit**)
- provide insights for improving support for FAs in 2021-27 and for 2027+

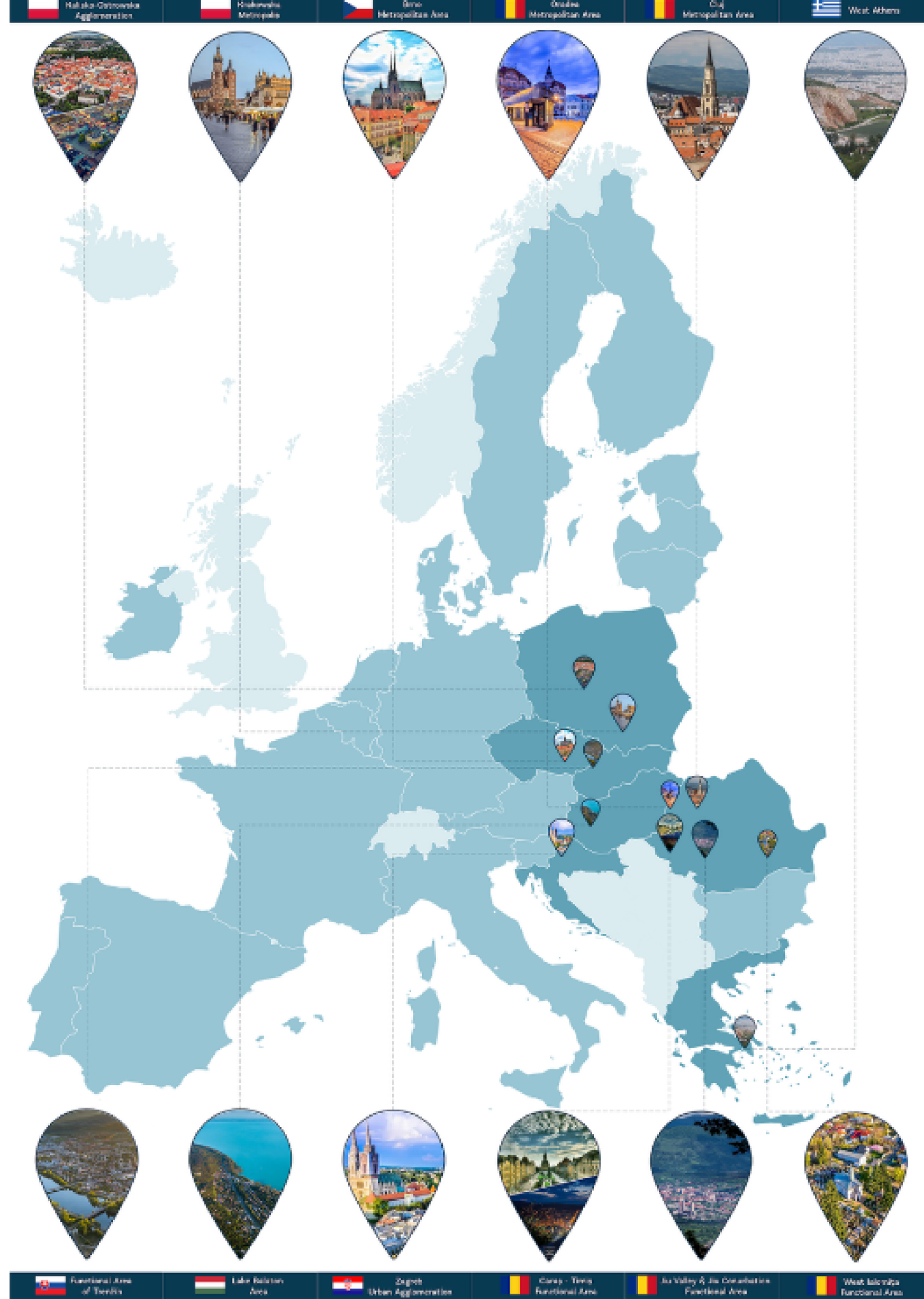
<https://functionalareas.eu>



THE 12 FUNCTIONAL AREAS

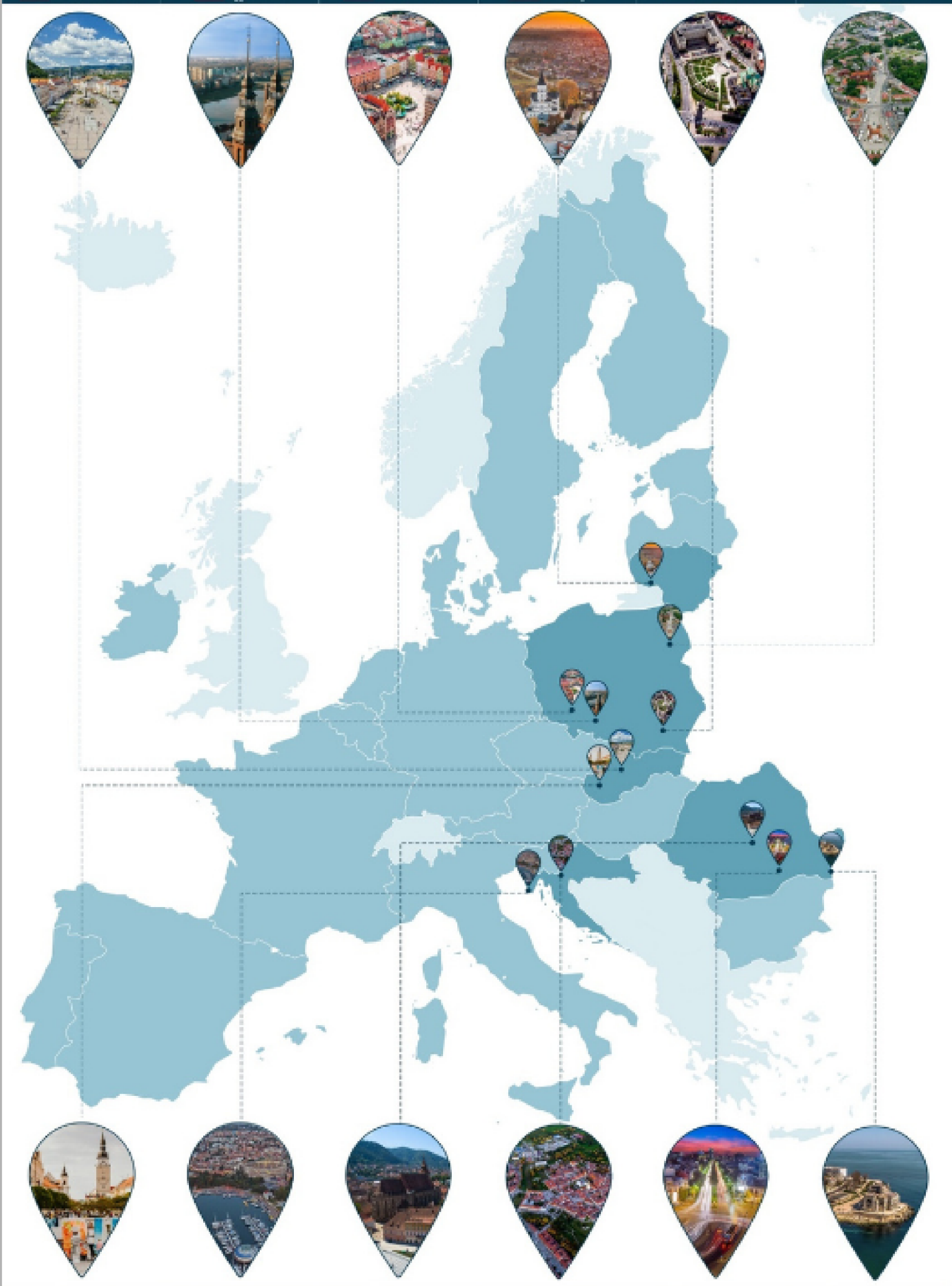
that are receiving targeted support (Tier 1)

CROATIA Zagreb Urban Agglomeration Population: 1,086,000	CZECH REPUBLIC Brno Metropolitan Area Population: 699,856	GREECE West Athens Population: 586,685
HUNGARY Lake Balaton Functional Region Population: 257,620	POLAND Kalisz-Ostrów Agglomeration Population: 358,437	POLAND Krakow Metropolitan Area Population: 1,076,117
ROMANIA Caras-Timis Functional Area Population: 1,072,334	ROMANIA Cluj Metropolitan Area Population: 445,600	ROMANIA Jiu Conurbation and Jiu Valley Functional Area Population: 1,490,708
ROMANIA Oradea Metropolitan Area Population: 279,842	ROMANIA West Ialomita Functional Area Population: 25,566	SLOVAKIA Trenčín Functional Area Population: 73,327



FUNCTIONAL AREAS IN THE EU

Overcoming administrative boundaries for green transition and sustainable development



THE 12 FUNCTIONAL AREAS

that are receiving short-term support (Tier 2)

CROATIA
Karlovac Larger
 Urban Area
 Population: 74,926

CROATIA
Pula Urban Area
 Population: 86,836

LITHUANIA
Tauragė+
 Functional Zone
 Population: 91,802

POLAND
Białystok
 Functional Area
 Population: 422,134

POLAND
Opole Agglomeration
 Population: 332,000

POLAND
Rzeszów
 Functional Area
 Population: 394,000

POLAND
Wrocław Functional
 Urban Area
 Population: 994,925

ROMANIA
Braşov
 Metropolitan Area
 Population: 479,741

ROMANIA
Bucharest
 Metropolitan Area
 Population: 2,400,000

ROMANIA
Constanţa
 Metropolitan Area
 Population: 500,000

SLOVAKIA
Trnava Functional
 Urban Area
 Population: 93,604

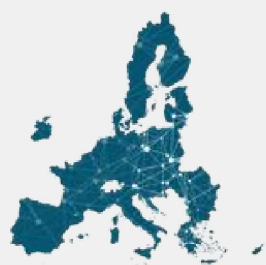
SLOVAKIA
Banská Bystrica
 Functional Urban Area
 Population: 95,000



PROJECT RESULTS AND TIMELINE

functionalareas.eu ►





FUNCTIONAL AREAS IN THE EU

Crossing administrative boundaries for green transition and sustainable development

KNOWLEDGE EXCHANGE ACTIVITIES

- 1 Integrated strategic planning
- 2 Land Suitability Analysis
- 3 Identification of flagship projects and financing
- 4 Strengthening functional area governance
- 5 Economic development planning
- 6 Strengthening urban-rural linkages
- 7 Approaches for transition to Climate Neutrality
- 8 Public-private partnerships
- 9 Public Private Partnerships: Trieste experience
- 10 Capacity building for functional areas
- 11 Foreign Direct Investments and entrepreneurship support
- 12 Functional Area governance models

NETWORKING SUPPORT

TAIEX-REGIO Peer2Peer exchanges

HORIZON Partnerships

JTP Groundwork Technical Assistance Facility

Interreg partnerships

Study Visits

Targeted support: Lake Balaton Functional Region

Governance:

- Lake Balaton Development Council (1996)
- Lake Balaton Development and Coordination Agency (executive arm)
- There is an active cooperation with NGOs (+30 organizations) - consultation role, as part of the LBDC meetings.

SURFACE AREA:

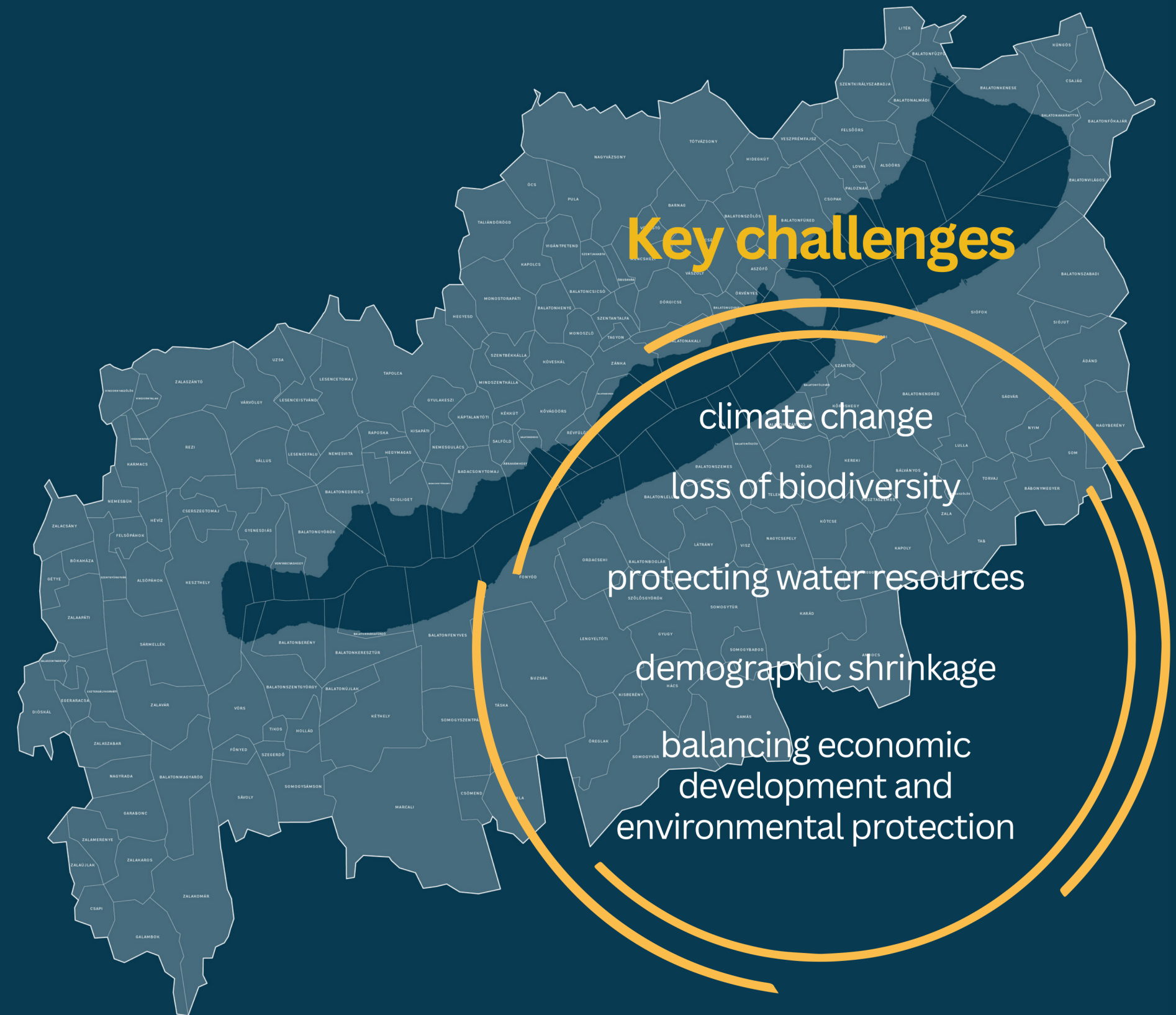
3886,05 km²

POPULATION:

257 620 people

ADMINISTRATIVE UNITS:

180 local administrative units (on 3 counties)

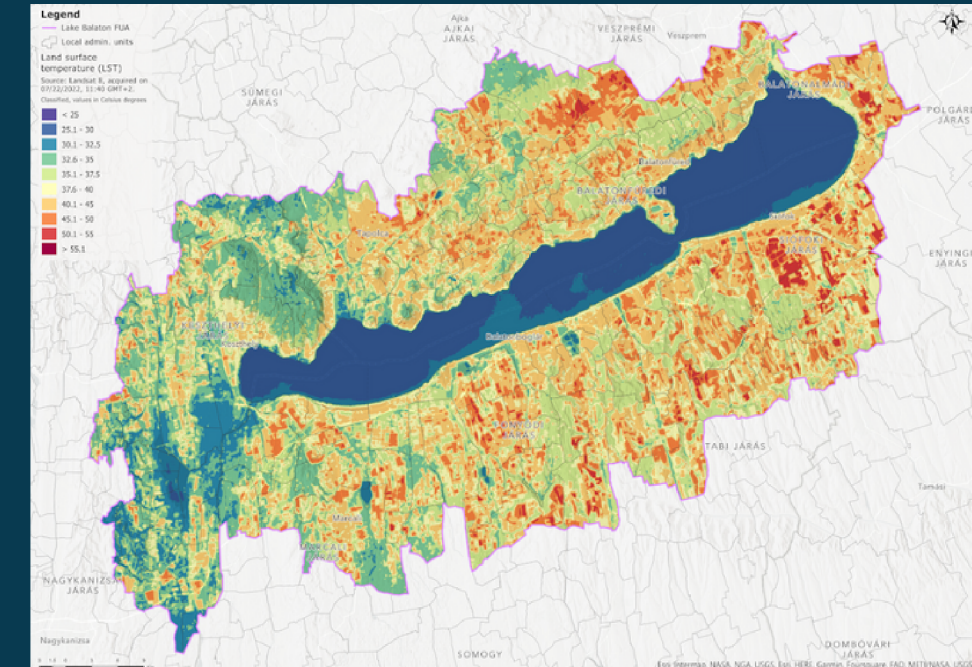


Targeted support: Lake Balaton Functional Region

1 IMPROVING COORDINATION AND ACCESS TO FINANCIAL RESOURCES

The project supported the Lake Balaton Functional Region to:

- **assess the impact of climate change and analyse land surface temperatures**
- **identify ways to improve its regional transport system and cycling network**
- **explore the topic of leveraging culture for strengthening functional area approaches** (knowledge exchange in Wroclaw - TAIEX Regio Peer2Peer)
- **identify direct funding sources** for integrated project ideas, involving actors across jurisdictions; finance the activity of the recently formed European Living Lakes Association
- prepare funding applications and create cross-border project consortiums



2 MAINSTREAMING LAKE AREAS INTO NATIONAL AND EU POLICY DISCUSSIONS

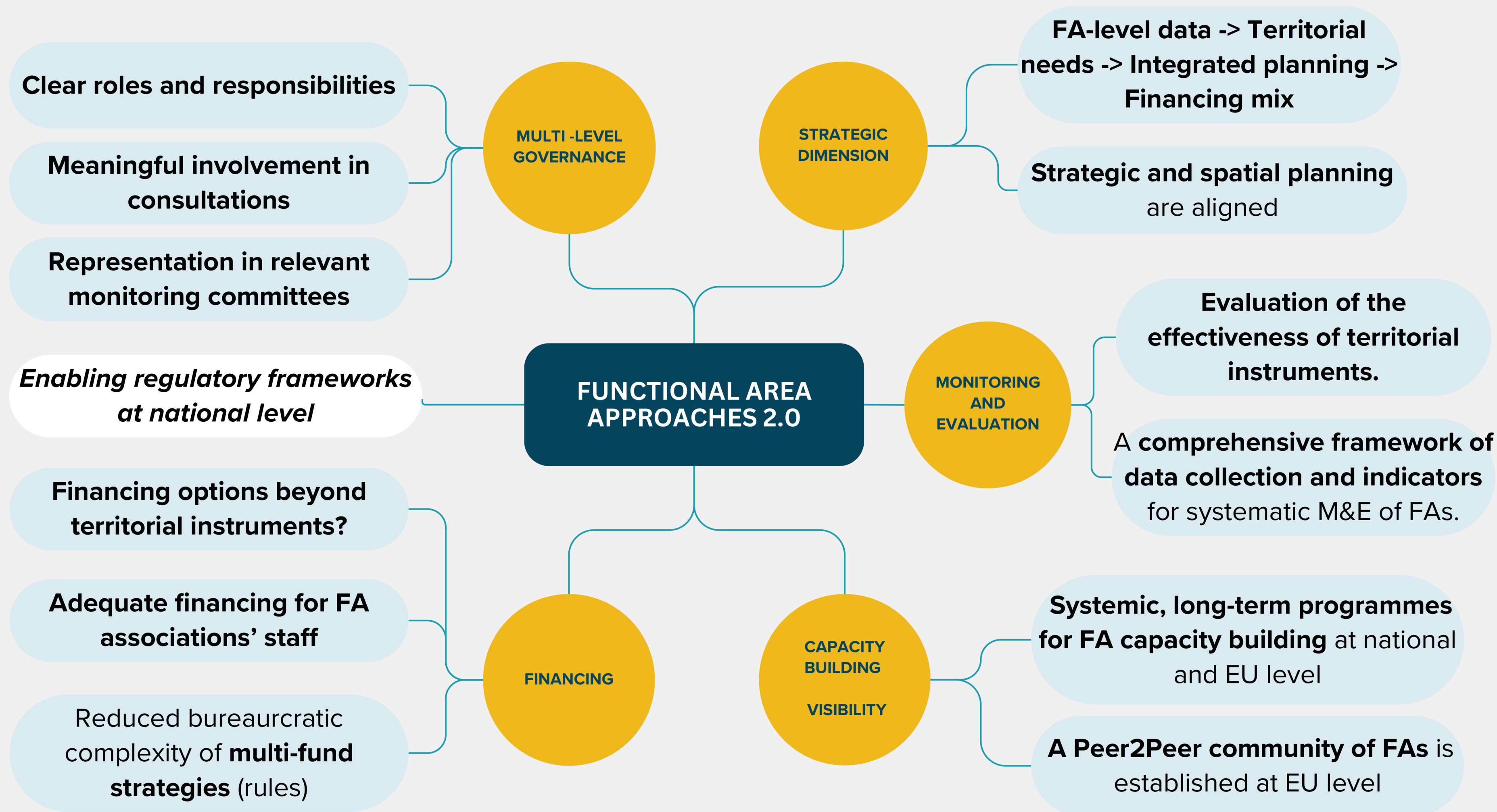
- **importance of functional natural areas and the challenges** of the Balaton Functional Region - **European Week of Regions** (2022)
- **online knowledge exchange** with functional areas (2023)
- **session on functional areas during the 19th World Lake Conference** in Balatonfüred (2023) -> 'Balaton Declaration'





Key thematic challenges **voiced by FAs** (technical assistance and capacity building)

Strategic and spatial planning	Urban-rural links	Economic development	Demographic decline and aging
Green mobility	Housing	Facilitate the dialogue	Cross border cooperation
Energy efficient neighbourhoods	Tourism, culture, branding	Blue green infrastructure	Digitalization and Cloud
Urban regeneration	Civic engagement	Cooperation networks	Culture and creative industries
Carbon neutral city	Circular economy	Smart financing functional area	Governance

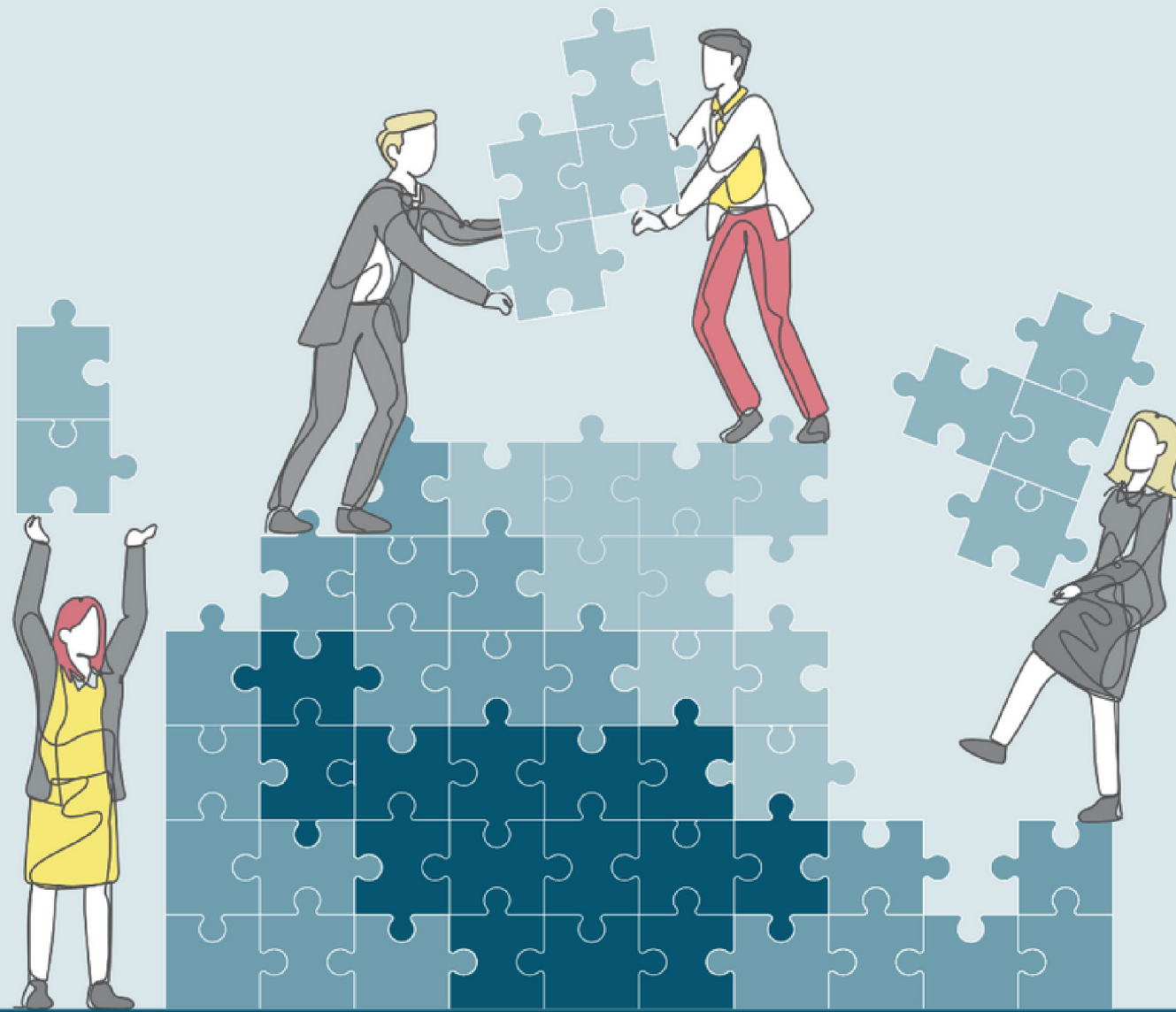




Methodological Toolkit for functional areas (2024)

METHODOLOGICAL TOOLKIT

to improve governance,
coordination, planning, and
implementation processes
across jurisdictional boundaries



Why this toolkit?

The toolkit offers practical insights and tools to advance the functional approach and was developed based on the outcomes and hands-on work within the *‘Functional Areas in the EU’* project.

Who is the target reader?

The toolkit is primarily targeted at **representatives of FAs**, but also local representatives, regional and national authorities.

It also targets decision-makers in functional areas where a governance body is not yet established.

The toolkit complements two other recent publications:

Handbook of Sustainable Urban Development Strategies (2020)

Handbook of Territorial and Local Development Strategies (2022)



Handbook of Sustainable Urban Development Strategies

As a complement to the work of the Urban Development Network of the European Commission, the Handbook of Sustainable Urban Development Strategies provides methodological support to cities, managing authorities and other stakeholders involved in the design and implementation of urban strategies under Cohesion Policy by creating room for exchange of experience and policy learning. In particular, it refers to Sustainable Urban Development (SUD) as supported by the European Regional Development Fund during the programming periods 2014-2020 and 2021-2027.

[Explore the online platform >](#)

[Download the report](#)



Handbook of Territorial and Local Development Strategies

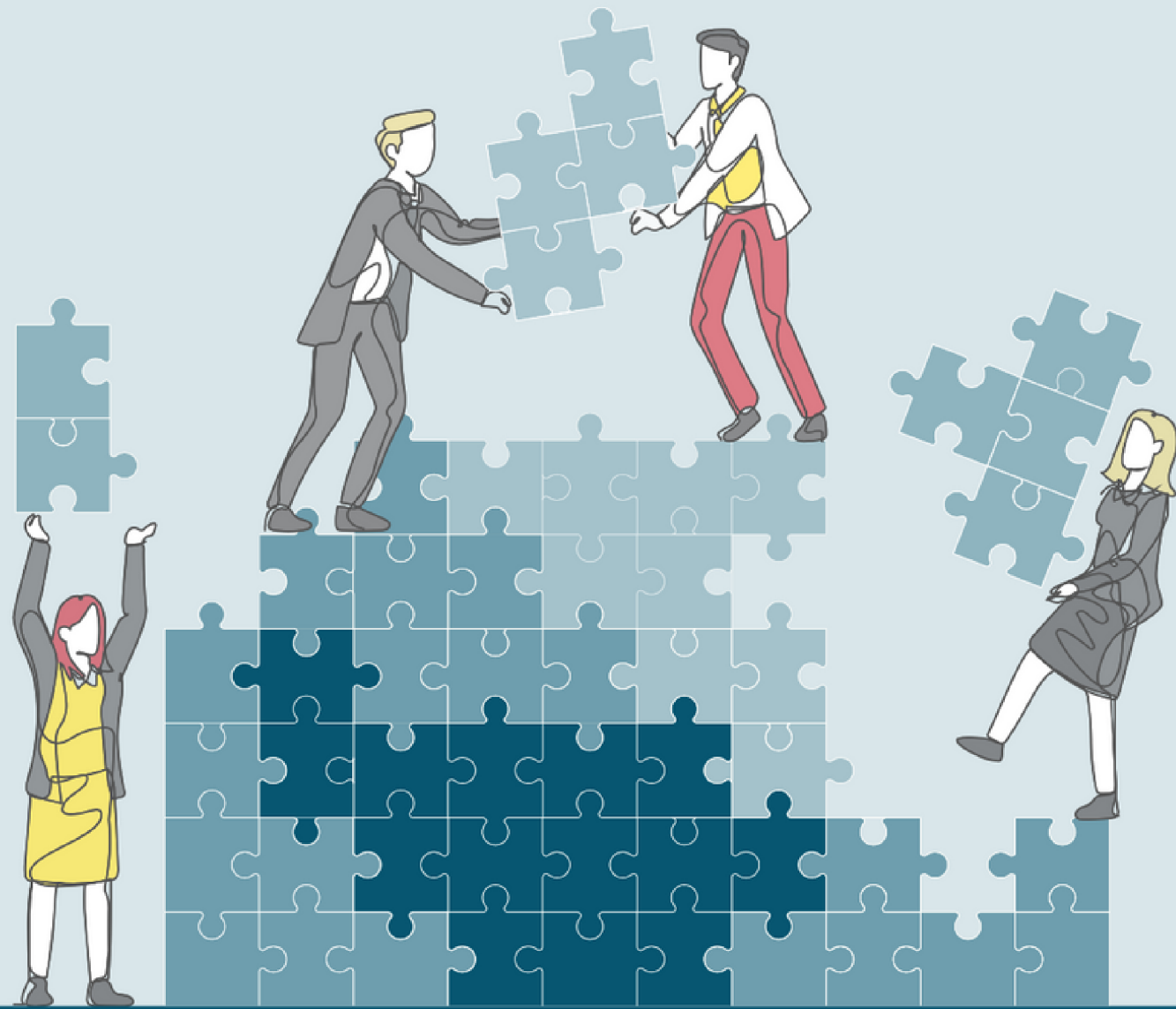
The Handbook of Territorial and Local Development Strategies targets different communities of policymakers (regional and national managing authorities, local authorities, local action groups, development agencies, etc.) with the aim to promote sustainable and integrated development in areas other than urban areas. It provides the readers with a number of practical tips, examples and recommendations, as well as references to existing literature, guidance and tools, to best address relevant policy challenges in the framework of cohesion policy 2021-2027.

[Download the report](#)

developed by the Joint Research Centre (JRC) in collaboration with the Directorate-General for Regional and Urban Policy (DG REGIO)

METHODOLOGICAL TOOLKIT

to improve governance,
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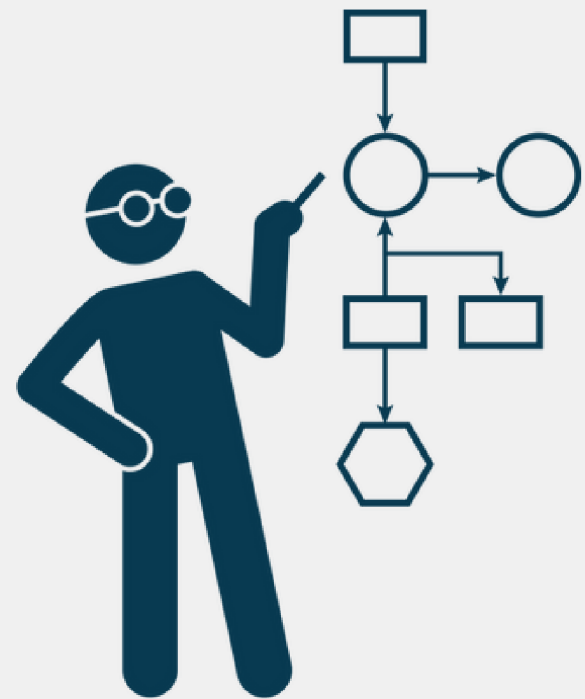
Six building blocks:

1. Strategic focus
2. Territorial focus
3. Governance and administrative capacity
4. Cross-sectoral integration
5. Funding and finance
6. Monitoring and evaluation

cross-references



Structure of the toolkit



Introduction

Annex – Classification of functional areas

Glossary

ensuring a common understanding on why the functional area approach is needed, the diverse landscape of functional areas, and of relevant terms

Chapter 1. STRATEGIC FOCUS

Introduction

Challenges

Practical insights and tools

Recommendations

each chapter is structured on these key elements

Strategic focus: Brno Metropolitan Area

► Importance of leadership

Despite the lack of legal recognition for metropolitan areas in the Czech Republic, Brno has taken the lead in **advancing metropolitan cooperation**.

► Role of ITI as incentive

Integrated Territorial Investments (ITI) facilitated metropolitan cooperation

► New strategy: going beyond ITI priorities

The strategy's update for the 2021–2027 period reflects a commitment to **expanding cooperation beyond ITI priorities**. It highlights the importance of ongoing adaptation to evolving needs and opportunities.

► Integrated solutions

By combining projects into ‘integrated solutions’, it seeks to drive collective action toward common goals.

► Lack of legal framework is limiting

Implementation of the strategy is limited, as it is not legally binding for all municipalities.



Access the toolkit here:

[https://functionalareas.eu/
methodological-toolkit](https://functionalareas.eu/methodological-toolkit)



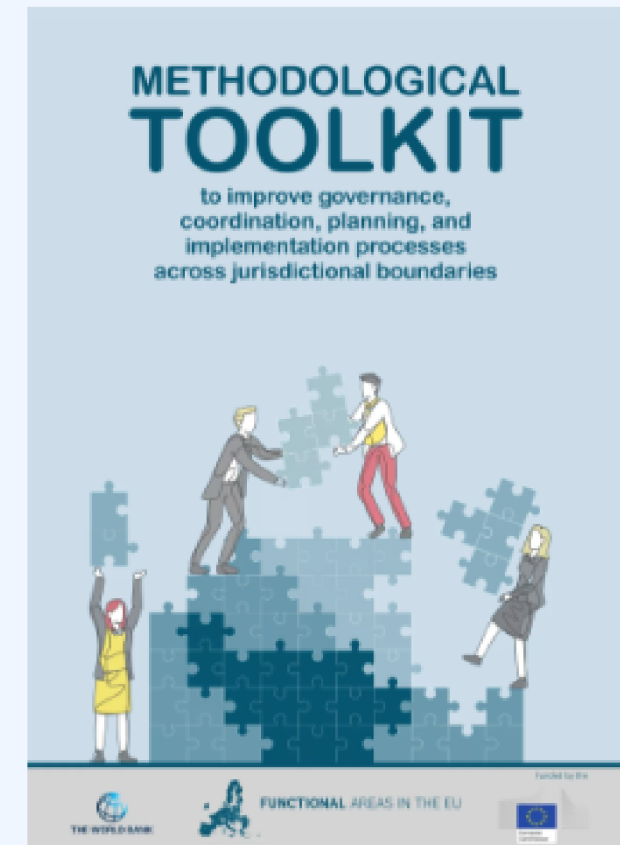
Discover The Methodological Toolkit

To Improve Governance, Coordination, Planning, And
Implementation Processes Across Jurisdictional
Boundaries

The toolkit caters to all functional areas across the EU, regardless of their maturity, form of governance, or available resources. It primarily targets representatives of functional area governance bodies, aiming to facilitate cooperation across jurisdictional boundaries by offering tools and practical insights from other functional areas within the EU.

Additionally, it serves as a resource for policymakers at local, regional, and national levels, as well as managing authorities and intermediary bodies, to support coordination among administrative units.

By showcasing successful applications of the functional approach and advancements in inter-jurisdictional cooperation, the toolkit assists in developing integrated strategies, identifying flagship projects, enhancing participation, strengthening urban-rural linkages, promoting cross-sectoral integration, mobilising funding, and refining monitoring and evaluation processes at the functional area level.



[Download Full Report](#)

[Download Executive Summary](#)

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