



# Background paper

Peer review cohort of Autumn / Winter 2023



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Peer review: [30<sup>th</sup> January – 1<sup>st</sup> February]

City under review: [Kalisz-Ostrów Agglomeration Association]

Sustainable Urban Development Strategy under article 11:  
[Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030]

## Summary of characteristics

<b>Territorial Delivery Mechanism</b>	<i>Integrated Territorial Investment</i>
<b>Territorial focus</b>	<i>Functional Urban Area</i>
<b>Population</b>	<i>Number of inhabitants covered by the strategy: 371.251</i>
<b>Type of funds &amp; amount</b>	<p><i>ERDF: 38 924 008,00 € (regional programme: European Funds for Greater Poland 2021-2027);</i></p> <p><i>ESF +: 5 307 819,00 € (regional programme: European Funds for Greater Poland 2021-2027);</i></p> <p><i>CF: approx. 40 000 000,00 € (180 000 000,00 PLN) (national programme: European Funds for Infrastructure, Climate and Environment 2021-2027).</i></p> <p><i>Other funds:</i></p> <p><i>Provincial Fund for Environmental Protection and Water Management in Poznań</i></p> <p><i>Multiannual Program for Older Persons "Active+"</i></p> <p><i>Operational Program Infrastructure and Environment 2014-2020 (ERDF)</i></p> <p><i>Greater Poland Regional Operational Program 2014-2020 (ESF) - Interreg Europe (ERDF)</i></p> <p><i>Functional areas of the European Union - The World Bank and the European Commission (advisory support)</i></p>
<b>Overall budget</b>	<p><i>Total budget for the SUD strategy under ITI instrument: approx. 84 231 827,00 €.</i></p>
<b>Policy objectives</b>	<p><i>P.O. 1.II - Reaping the benefits of digitization for citizens, companies, research organizations and public authorities</i></p> <p><i>P.O. 2.IV Promoting climate change adaptation and disaster risk prevention and resilience, taking into account eco-system based approaches</i></p> <p><i>PO.4. Promoting equal access to and completion of quality and inclusive education and training</i></p> <p><i>P.O. 5.1 Fostering the integrated and inclusive social, economic and environmental development, culture, natural heritage, sustainable tourism and security in urban areas</i></p>
<b>SUD strategy under article 7</b>	<p><i>SUD strategy under article 7 (2014-2020):</i></p>

## 1. MOTIVATION FOR PARTICIPATING TO THE PEER REVIEW

In the 2014-2020 period the Managing Authority of the Greater Poland Voivodeship The Regional Operational Programme delegated some of the tasks related to implementation to the Intermediate Body of WRPO 2014+ - the ITI AKO Association. This allowed for the implementation of a number of projects' co-development and strengthened the partnership model of cooperation. Also financial resources obtained from other sources made it possible to take a number of actions aimed at comprehensive and sustainable development of AKO.

In the 2014-2020 period, the Greater Poland Voivodeship was designated „a less developed region”. In the 2021-2027 period it has advanced as „a region in the transition period”.The budget in 2021-2027 is over EUR 300 million less than what Greater Poland had in the 2014-2020 perspective. The Managing Authority of the new program - European Funds for Greater Poland 2021-2027 -has decided that the Kalisz-Ostrów Agglomeration Association is no longer an Intermediary Institution. The principles of financing the AKO Association have changed and we have received less funds from the regional programme than in the previous period (approx. 24,9 million € less).

Still, in September 2023 The Kalisz-Ostrów Agglomeration Council adopted a new Strategy which sets an ambitious vision of development and 5 areas of support:

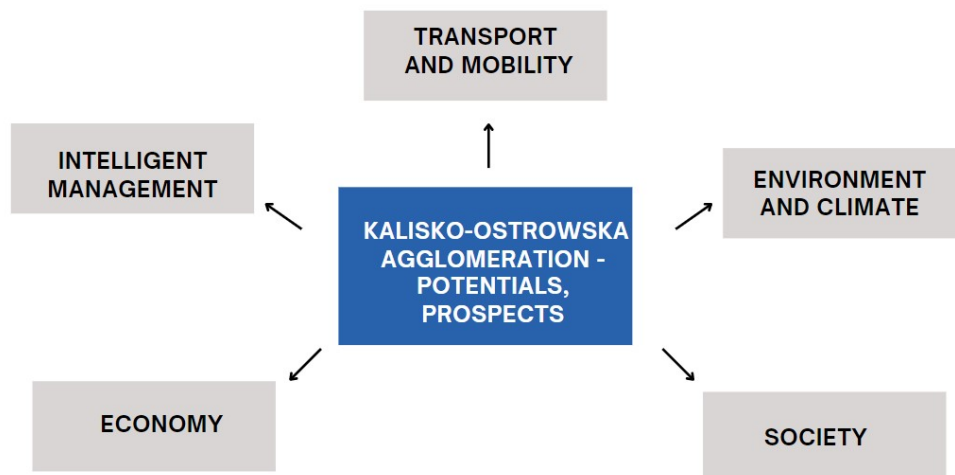


Figure 1. Areas of support of Kalisz-Ostrów Agglomeration Association.

In view of the above, in the EUI 3rd peer review Kalisz-Ostróws Agglomeration Association is interested in sharing good practices from the examples of other cities and functional areas, receiving expertise that can give valuable advice on **how to better manage the development of our ITI area** in

the 2021-2027 period, gain knowledge on **how to develop an ITI area which is not acting as an intermediary institution**. Kalisz-Ostrów Agglomeration Association would like also to show other functional areas how to **go beyond the resulting tasks from the implementation of the Integrated Territorial Investments instrument**. Moreover, the peer review will contribute to the successful implementation of the Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030, which sets broader horizons of the Association's activities, **not limiting itself to interventions within ITI**.

## 2. DESCRIPTION OF THE STRATEGY

### 2.1. CONTEXT OF THE STRATEGY

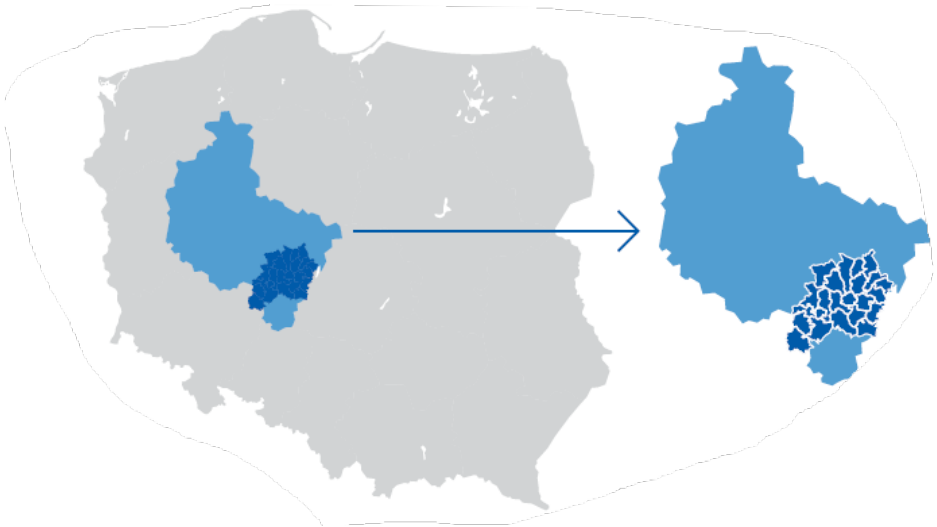


Figure 2. Localisation of the Kalisz-Ostrów Agglomeration Association.

Kalisz-Ostrów Agglomeration is located in Greater Poland (NUTS 2 PL41 – Wielkopolskie) and Kalisz subregion (NUTS 3 PL416 – Kaliski).

> A map of the intervention area.

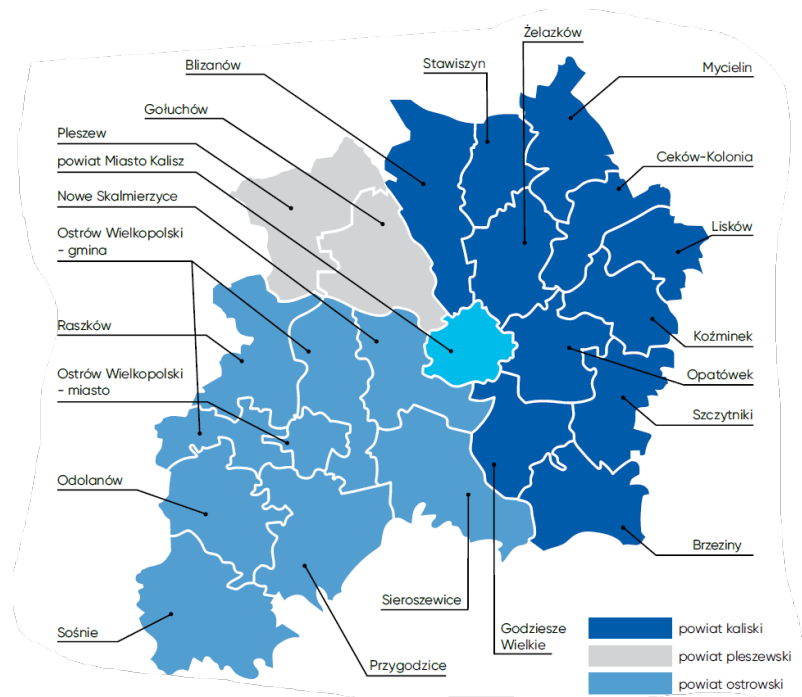


Figure 3. Map of intervention area - Kalisz-Ostrów Agglomeration Association.

### ➤ Geography and Demography

The Kalisz-Ostrów Agglomeration (AKO) is located in the central part of Poland, in the southeastern part of the Greater Poland Voivodeship. It is located about 125 km from the capital of the Greater Poland Voivodeship - Poznan, 120 km from the capital of the Lower Silesia Voivodeship - Wrocław, 110 km from the capital of the Łódź Voivodeship - Lodz.

Currently, the Functional Area of the Kalisz-Ostrów Agglomeration covers 25 local government territorial areas, including 2 cities, 3 counties, 7 urban-rural communes and 13 rural communes.

The Agglomeration covers a total area of 2,705 km<sup>2</sup>, i.e. approx. 9.1% of the area of the Greater Poland Voivodeship and according to data from the Central Statistical Office is inhabited by 377,251 inhabitants, i.e. approx. 10.8% of the voivodeship's population.

### ➤ Main features

The most important features of Kalisz-Ostrów Agglomeration are as follows.

The Agglomeration area is characterised by lack of a coherent network of bicycle paths, fully functional P&R systems in the core cities, and a low level of spatial planning. The AKO area is virtually devoid of natural water reservoirs and it is at high risk of drought. Agriculture is one of its most important economic potentials. AKO is located in three different Special Economic Zones. It contains a large number of service establishments of supra-local importance (including medical, cultural, schools). There are higher education institutions in the Agglomeration, including four branch units and the President Stanisław Wojciechowski University of Kalisz. Vocational education is regressing in the area. Population decline across the Agglomeration negatively distinguishes it in the region. As a member of the "World Network of Age-Friendly Cities and Municipalities Elderly" Association actively promote the activation of Seniors. Historic palace and mansion complexes are unusually numerous. The Agglomeration's strong point is the good labour market situation (low unemployment). The most important problems and potentials of Kalisz-Ostrów Agglomeration are listed in table 1 below.

Development opportunities of AKO	AKO development problems
<b>REGARDING THE SITUATION OF TRANSPORT, MOBILITY AND SPATIAL PLANNING</b>	
Expansion of the road system of nationwide importance (S11, DK25).	<p><b>Non-integrated road and rail public transport and lack of a coherent network of bicycle paths.</b></p> <ul style="list-style-type: none"> <li>✓ In 2020 in the entire Agglomeration there were a total of 231.1 km of bicycle paths, compared to 69.2 km in 2011.</li> <li>✓ In the southern part of the Agglomeration there are still "white spots", i.e. areas without access to public transport.</li> </ul>
Construction of high-speed railways, increasing the number of railway connections, creation and development of agglomeration railway.	<p><b>Low percentage of area covered by local plans, scattered development and lack of planning integration spatial.</b></p> <ul style="list-style-type: none"> <li>✓ In 2019, only 12% of the AKO area was covered by local spatial plans</li> </ul>
Spatial planning reform.	<p><b>Lack of significant interchanges and bypasses and unsatisfactory condition of roads.</b></p> <ul style="list-style-type: none"> <li>✓ AKO area unfortunately lies outside the system of existing highways in Poland.</li> </ul>
<p>A modern bus fleet of city carriers with accompanying infrastructure and junctions transfers in the main AKO centres.</p> <ul style="list-style-type: none"> <li>✓ Nearly 30% of AKO's public buses is five years old or newer.</li> </ul>	
<b>IN THE FIELD OF THE ENVIRONMENT AND MUNICIPAL INFRASTRUCTURE</b>	
Green Deal priorities in line with the needs of AKO municipalities.	<p><b>Area at high or extreme risk of drought and other natural problems (water and air quality).</b></p> <ul style="list-style-type: none"> <li>✓ 107 problem areas have been identified in the AKO predisposed to the occurrence of flash floods.</li> <li>✓ AKO area is virtually devoid of natural water reservoirs.</li> </ul>
Potential for the development of high-quality agriculture and renewable energy: biomass, biogas, wind energy.	<p><b>Deficiencies in water and sewage infrastructure and waste management infrastructure and low level of access to good quality telecommunications network.</b></p> <ul style="list-style-type: none"> <li>✓ In the Agglomeration area, 9 municipalities organize the system on their own, the others operate within the framework of the Municipal Union of Municipalities "Clean City, Clean Commune".</li> </ul>
<p>Valuable natural resources improving the quality and conditions of life (including protected areas).</p> <ul style="list-style-type: none"> <li>✓ The share of surface forms of nature conservation is 29% in AKO.</li> </ul>	<b>Consequences of climate change.</b>
<b>RELATED TO THE SOCIO-ECONOMIC SITUATION</b>	
A large number of service entities of supra-local importance.	<b>Drain of human capital by the outflow of young people to regional centres.</b>

	<ul style="list-style-type: none"> <li>✓ There are higher education institutions in the AKO area, including four units branch units and the President Stanisław Wojciechowski University of Kalisz.</li> </ul>
<b>Investment areas, clusters and business environment institutions.</b> <ul style="list-style-type: none"> <li>✓ Leading sectors are: aerospace industry - manufacturing of aircraft machinery and engines, automation, information technology, chemical industry, food industry, timber industry, textile and apparel industries, electrical machinery industry.</li> <li>✓ AKO is located in three different Special Economic Zones.</li> </ul>	<b>Economic and social consequences of the COVID-19 pandemic and infrastructure deficiencies ICT.</b>
<b>Institutionalized forms of cooperation between local government units, especially in the form of the Kalisz-Ostrów Agglomeration Association.</b>	<b>Depopulation and aging of society.</b> <ul style="list-style-type: none"> <li>✓ In the entire Agglomeration, there was a decrease in the value of the natural growth rate from 1.3‰ in 2010 to -3.3‰ in 2020.</li> </ul>
<b>Good situation on the labour market (low level of unemployment).</b> <ul style="list-style-type: none"> <li>✓ In the period 2010-2020 in the labor market of the Kalisz-Ostrów Agglomeration, the unemployment rate decreased by half and in 2020 it reached only 3%.</li> </ul>	<b>Low level of interest in vocational education among primary school children and adolescents.</b> <ul style="list-style-type: none"> <li>✓ Between 2010 and 2018 the number of vocational schools decreased from 25 to 17.</li> </ul>
<b>Growing ecological awareness, including interest in organic food and a healthy lifestyle life and physical activity of society.</b>	<b>Reduction in the level of own revenues of local government units as a result of tax changes.</b>
<b>Historical heritage – urban layouts, monuments, narrow-gauge railway.</b> <ul style="list-style-type: none"> <li>✓ AKO has in its area also a narrow-gauge railroad infrastructure of great historical and tourist value.</li> </ul>	<b>Competition of regional centres in attracting investors.</b> <ul style="list-style-type: none"> <li>✓ In AKO, a lower rate of growth is noticeable number of business entities than in Poland and Greater Poland in general.</li> </ul>

*Table 1. Problems (weaknesses or threats) and potentials (strengths or opportunities).*

*Source: Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030.*

#### ➤ History and Governance of AKO Association

Historically, about a 100 years ago, Kalisz and Ostrow were divided by a border. Kalisz was under Russian rule, Ostrow under Prussian rule and this division has marked the spirits of the citizens of both cities, which do not easily cooperate. The Kalisko-Ostrowska agglomeration was identified in the Spatial Development Plan of the Wielkopolska Region as an Urban Functional Area that could benefit from the ITI instrument in the 2014-2020 period. The Kalisz-Ostrów Agglomeration (hereinafter: AKO) is an area consisting of two core cities, Kalisz and Ostrów Wielkopolski and a set of communes and counties within a wider environment, that is all functionally connected. It has become an area for the implementation of Integrated Territorial Investments.

Since 2015, the Association functions as a self-governing association of (now) 25 local government units – communes and counties of the Kalisz-Ostrów Agglomeration.

The primary goal of the Association is to support and develop the idea of local government and defend the common interests of its Members, in particular strengthening socio-economic development, infrastructure, environment and culture of local government units constituting the Kalisz-Ostrów Agglomeration and cooperation of communes and counties in this regard.

In the process of the creation and implementation of the "Strategy for supra-local development of the Kalisz-Ostrów Agglomeration until 2030" a wide range of stakeholders, entities and institutions covering three sectors: public, social and economic were involved. The main responsibility for the proper implementation of the Strategy rests with the AKO ITI Association. The structure of the system for preparing and implementing the Strategy is shown in Fig. 5. The statutory authorities of the AKO Association, elected from among its representatives, will be the primary responsible legislative and executive bodies of the units constituting AKO.

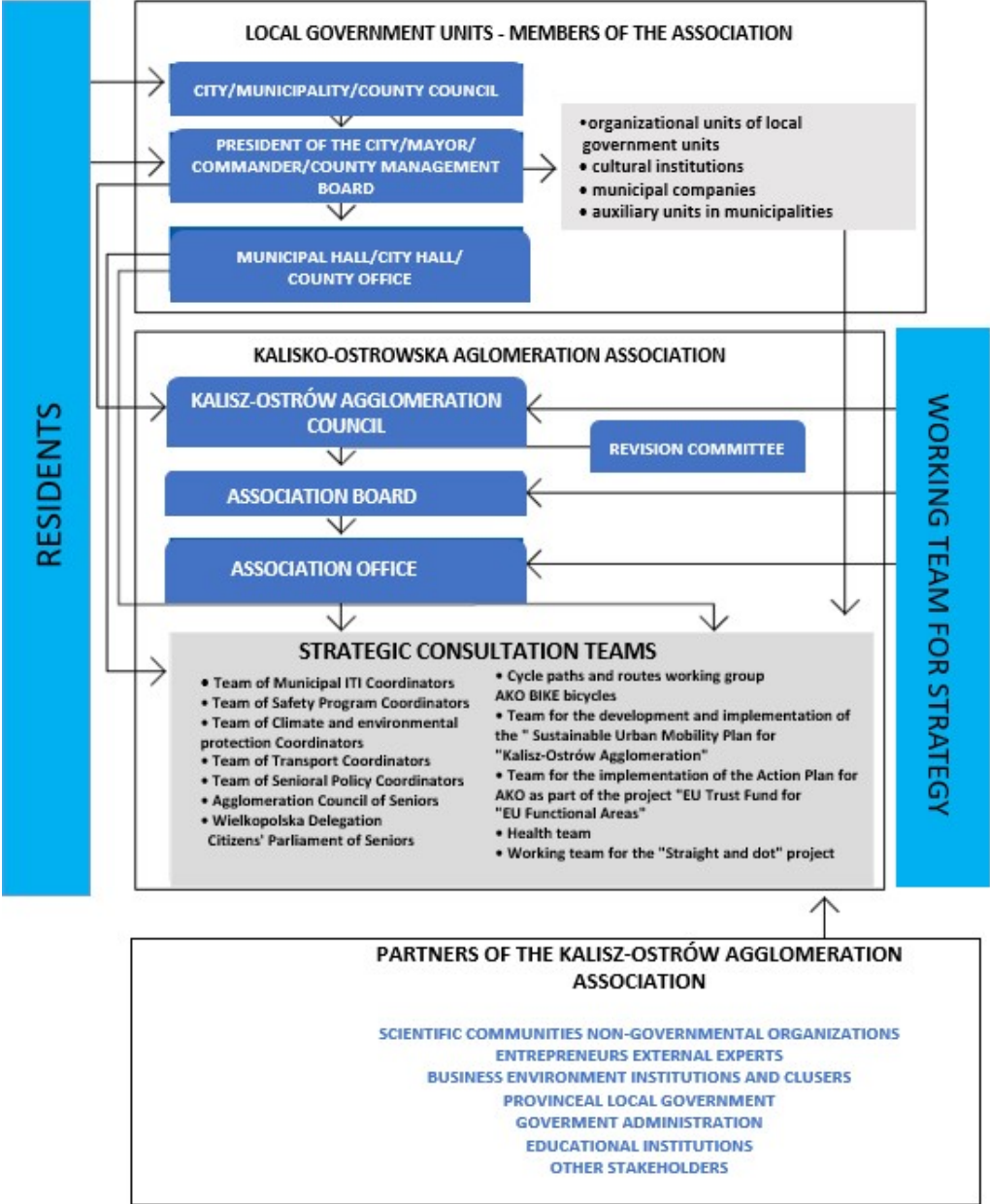


Figure 5. The structure of entities participating in making and implementing strategic decisions.



## 2.2. STRATEGY DEVELOPMENT AND TIMEFRAME

➤ Strategy Status

In September 2023, the Kalisz-Ostrów Agglomeration Council adopted a resolution on the Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030. In October 2023, the Strategy received positive opinions from the Managing Authorities, which means that its projects can be financed by the ITI instrument.

In addition, the Kalisz-Ostrów Agglomeration has developed many other sectoral policy documents. Figure 4 gives an overview. Each of these plans can form the basis for projects that are supported by the ITI instrument.

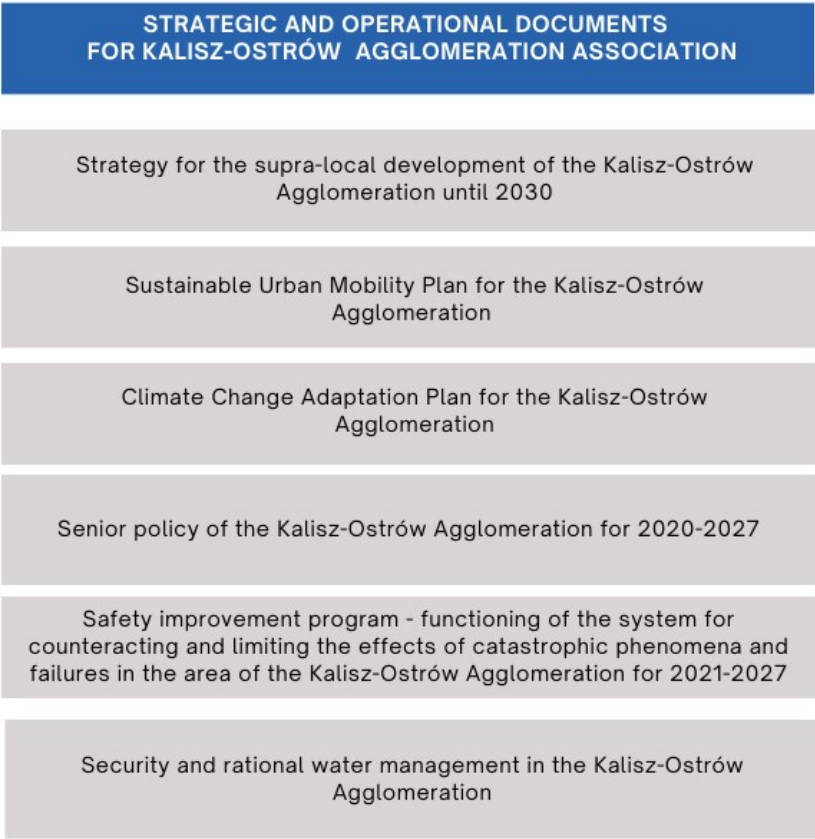


Figure 4. Strategic and operational documents of the Kalisz-Ostrów Agglomeration Association.

In addition it should be noted that Kalisz-Ostrów Agglomeration Association is involved in several European projects in various areas/sectors. It was a member of the PE4Trans project, which is part of Interreg Europe and has a transnational character. It works on improving public transport policy by involving citizens in the process of designing and implementing sustainable transport strategies.

As part of the international project "Functional Areas in the EU – Areas Functional EU", in cooperation with representatives of the European Commission and the World Bank, steps will be taken to develop the "Spatial Analysis of the Functional Area Kalisz-Ostrów Agglomeration", which will become the basis for joint and well-thought-out implementations spatial development processes.

➤ Multi-stakeholder contributions

Research work related to the creation of the "Diagnosis of the social, economic and spatial situation AKO", as well as the "Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030" have been implemented according to the expert-participatory model. It included both diagnostic findings and professional analysis of the level of local and regional development, as well as contributions from local leaders, local government officials, AKO residents, entrepreneurs and representatives various public and non-public organizations.

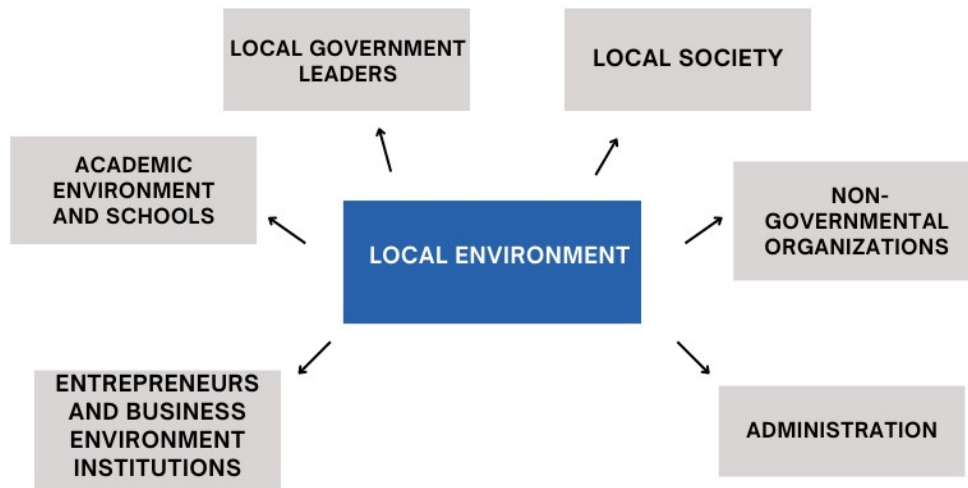
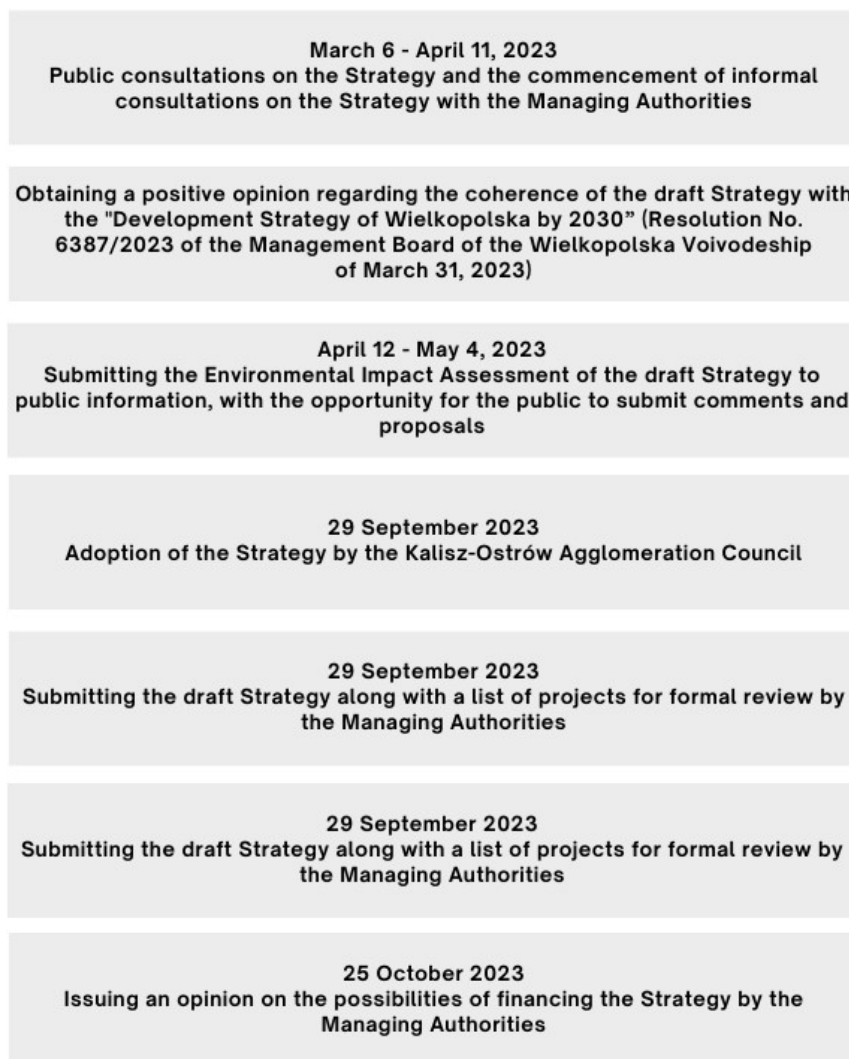


Figure 6. Social groups that were involved in the work on the Strategy.

➤ Timeframe for design and implementation.

The strategy covers the time horizon until 2030. It corresponds to global challenges related to green and digital transformation, while developing the potential of its inhabitants, as well as building a supra-local identity. The basis for integrated planning development will invariably be a partnership model of cooperation between associated municipalities and counties and engaged residents. The time frame for design the Strategy is shown in Figure 7



*Figure 7. Timeframe for design the Strategy.*

The first calls for the European Funds for Greater Poland 2021-2027 programme are scheduled for Q1 2024. The deadline for submission of the application for non-competitive projects from the FEnKS 2021-2027 program is scheduled for June 30, 2024.

➤ Next steps planned in the design/implementation of the strategy

The next step will be to prepare and submit applications for co-financing of projects included in the list of projects for the Strategy under the ITI instrument (for the European Funds for Greater Poland 2021-2027 programme and the European Funds for Infrastructure, Climate, Environment 2021-2027 programme).

Our supralocal strategy will be part financed by the ITI, but also from other sources (depending on their availability). ITI AKO Association will prepare the final version of the list of remaining projects (planned to be implemented outside the ITI instrument) and undertake a possible update of the Strategy.

The AKO Association also needs to establish new cooperation structures: Agglomeration Women's Forum, Business Center and Economic Council and develop strategic documents such as on Health Policy, Spatial analysis of the Functional Area and networking with other ITI Associations from Poland and Europe.

➤ Key risks linked to the design and implementation of the strategy.

One of the key risks is no required or insufficient data sources for updating the Strategy supra-local development of AKO or receiving biased data mistakes. The response to the risk may be direct contact with institutions (superintendents), beneficiaries, ITI Association Members who have provided incomplete and/or flawed data or have not provided it.

Too little involvement of local government units in updating the Strategy supra-local development of AKO is another key risk. Moreover, external threats through, among others, political decisions, programme changes may occur. Other key risks are as follows: difficult contact with beneficiaries projects/ITI coordinators – no current information about undertakings, about the state preparation/readiness for implementation and implementation of projects; delay in the implementation of non-competitive projects included in the list of projects for the Strategy, Beneficiaries' resignation from the implementation of projects selected for co-financing (termination of project co-financing contracts); using inappropriate promotion and information tools for projects implemented under the Strategy; loss of financial liquidity of the ITI Association, i.e., among others through delays in the reimbursement of incurred expenses from funds, delays in the payment of membership fees by Association Members.

## 2.3. STRATEGY DESCRIPTION

➤ Structure of the strategy

"Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030"

1. Entry
2. Synthesis of diagnosis, analysis of conditions and strategic connections
3. Development vision and goals of the Strategy
4. Model of functional and spatial structure as well as findings and recommendations for policy spatial
5. Areas of strategic intervention
6. Planning, implementation and implementation system as well as applicable procedures and conditions in the implementation of the Strategy
7. Description of the process of engaging key partners and stakeholder participation in the preparation of the Strategy and its implementation
8. Financial framework and sources of financing
9. Monitoring and evaluation of the Strategy
10. Strategic environmental impact assessment
11. Bibliography
12. List of tables and figures
13. Attachments

➤ Overall vision and objectives

In the first part of the document, basic data on the size of the Kalisz Agglomeration were determined. The next part of the document presents a synthesis of the most important diagnostic findings development problems (weaknesses and threats) and development potentials (strengths and opportunities) identified in the SWOT analysis, and the development needs resulting from them.

The conclusions from the diagnosis were the basis for formulating the next, most important part of the Strategy directional elements. It was agreed that they would form a multi-level system. The most general purpose is a vision of development, which is also the main goal: Strategy sets an ambitious vision:

*The Kalisz-Ostrów Agglomeration is a leader in functional integration among subregional cities in Poland, distinguished by a strong economic position, high quality of life, striving for climate neutrality, developing local potentials, building a supra-local identity, oriented towards comprehensive and sustainable development and providing a sense of security.*

Then, 5 strategic goals were formulated:

1. The Kalisz-Ostrów Agglomeration developing ecological, integrated and sustainable transport mobility.
2. The Kalisz-Ostrów Agglomeration focused on green transformation and improving the quality of the environment.
3. The Kalisz-Ostrów Agglomeration integrating local communities and strengthening the social dimension.
4. The Kalisz-Ostrów Agglomeration building a strong, supra-local economic position.
5. The Kalisz-Ostrów Agglomeration is intelligently managed, developing management skills and service public of supra-local importance.



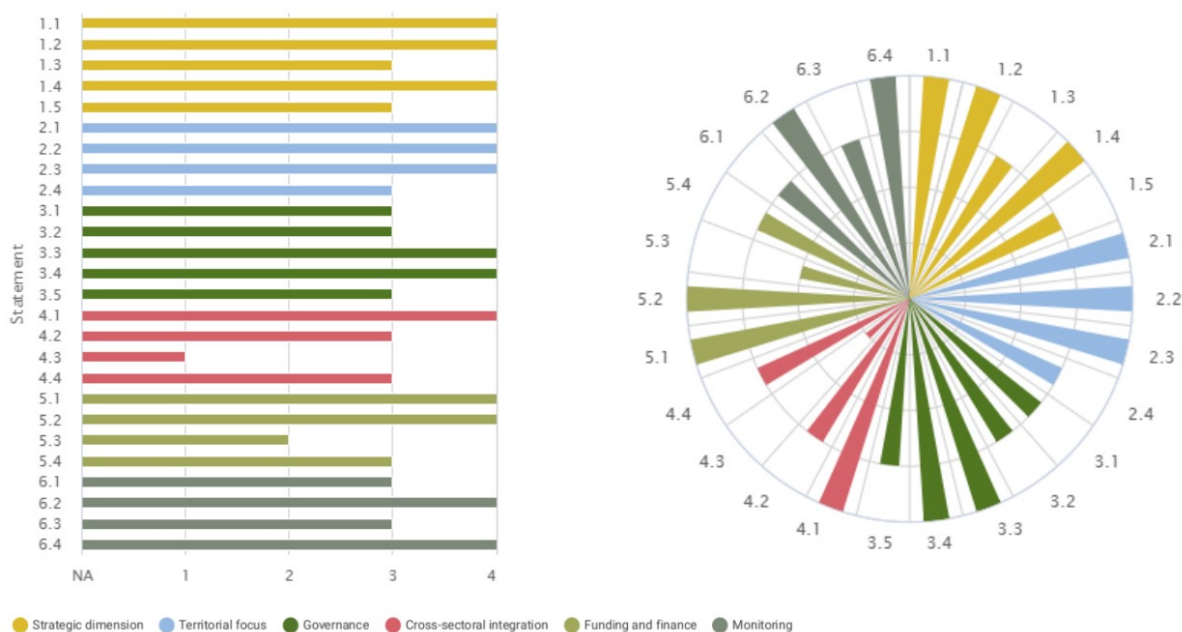
Figure 9. Support areas strategic and specific goals of the Strategy.

Each of the strategic goals has been detailed in the form of specific and main goals and directions of action. In total, the Strategy adopted 18 specific and directions of action.

In Poland there are both regional and national programmes financed from cohesion policy. 16 out of 80 directions of action will be financed within the "financial envelope" (through the ITI instrument) under the regional programme European Funds for Greater Poland 2021-2027 and the national programme European Funds for Infrastructure, Climate and Environment 2021-2027. Another direction of action will be financed from other sources of funding (outside the ZIT instrument) depending on their availability, such as: national programmes of cohesion policy, European Commission programmes, state budget funds, Norwegian Funds, as well as private funds and the public-private partnership formula.

### 3. SAT4SUD RESULTS AND GUIDING QUESTIONS

#### 3.1. SAT4SUD RESULTS



#### 1. Strategic Dimension

- 1.1. The strategy sets clear objectives that responds to the development needs and potential of the area while at the same time contributing to the objectives of the supporting operational programme(s). [HIGH], [4]
- 1.2. The strategy builds on a baseline situation derived from high quality analysis and up-to-date evidence (e.g. territorial, social and economic analysis and studies, monitoring and evaluation reports, etc.). [HIGH], [4]
- 1.3. A detailed action plan demonstrating how objectives and expected results are translated into actions exists. [HIGH], [3]
- 1.4. The strategy describes links and synergies with the Sustainable Development Goals, and any other (international, national, regional or local) agendas and policies that are relevant to its performance. [HIGH], [4]
- 1.5. The strategy assesses and takes into account the capacity of the local authority and relevant stakeholders to perform policy functions (design, implementation, monitoring and evaluation) and envisages capacity building measures, if needed. [HIGH], [3]

#### 2. Territorial focus

- 2.1. The chosen territorial focus is pertinent to address the development needs, potential and objectives set in the strategy. [HIGH], [4]
- 2.2. The strategy area, the targeted areas and population for the planned actions are clearly identified following an evidence-based methodology. [HIGH], [4]
- 2.3. The strategy area is defined taking into account functional linkages, even across administrative boundaries. [HIGH], [4]



2.4. The target areas are integrated into the larger territorial context and, where relevant, the strategy takes into account urban-rural linkages. [HIGH], [3]

### 3. Governance

3.1. The responsible local authority or body has the necessary capacity and political support to implement the strategy and ensure the alignment of projects with objectives. [HIGH], [3]

3.2. Processes and mechanisms to ensure coordination among the local authority, the Managing Authority and other public agencies are in place, and roles and responsibilities are well defined. [HIGH], [3]

3.3. The strategy describes how relevant stakeholders (from the government, the knowledge sector, the private sector, the third sector as well as citizens) are identified and involved in the policy cycle (design, implementation, monitoring and evaluation). [HIGH], [4]

3.4. Active participation of citizens is ensured throughout the policy cycle, through effective and eventually innovative methods and tools (e.g. surveys, community meetings, workshops, participatory planning, co-decision processes, etc.). [HIGH], [4]

3.5. When a strategy targets a functional urban area, specific governance arrangements ensure cooperation among different territorial bodies. [HIGH], [3]

### 4. Cross-sectoral integration

4.1. The strategy envisages an integrated response considering the economic, social and environmental dimension of the challenges identified in the analysis, fostering sustainable urban development and the transition to the productive, just and green city. [HIGH], [4]

4.2. Cross-sectoral integration is pursued throughout the actions of the strategy triggering complementarities and synergies between them. [HIGH], [3]

4.3. The strategy takes advantage of contributions from different departments, agencies and stakeholders in order to overcome policy silos, even in case the strategy has a main thematic focus. [LOW], [1]

4.4. The strategy indicates which bodies/departments are responsible for the implementation of each action and provides mechanisms for coordination among them. [HIGH], [3]

### 5. Funding and finance

5.1. The strategy provides specific details on how and where EU Cohesion policy funds (and, where appropriate, other funding sources) will be allocated. [HIGH], [4]

5.2. The strategy benefits from the coordination between different funding sources (European, national, regional and local, including financial instruments). [HIGH], [4]

5.3. The involvement of private investors in funding the strategy is envisaged. [LOW], [2]

5.4. The use of innovative funding approaches like Green City Bonds or Social Impact Bonds and participatory budgeting, as well as financial instrument is considered. [HIGH], [3]

### 6. Monitoring

6.1. The strategy foresees a monitoring system that follows the logical framework, moving from needs (what has to be addressed?), to objectives (what is the desired change?), to indicators (how can this change be measured?). [HIGH], [3]

6.2. The monitoring system includes a set of related output and result indicators specific to the targeted geographic area(s) and population (with a quantified baseline and target values), it details how to obtain timely data and the department/unit responsible for monitoring activities. [HIGH], [4]

6.3. The monitoring system collects a combination of quantitative and qualitative information to capture all outcomes, including the effects of the integrated approach. [HIGH], [3]



6.4. Alignment with operational programme's objectives (as well as other sustainability agendas) is strengthened by using a number of indicators clearly linked to programme priorities. [HIGH], [4]

## 3.2. CHALLENGES IN THE SUD STRATEGY

The SAT4SUD analysis indicated a low score [1] for guiding question 4.3 The strategy takes advantage of contributions from different departments, agencies and stakeholders in order to overcome policy silos, even though it has a main thematic focus.

AKO municipalities have their own set of policies, goals, and strategies. They also adopted or will adopt their own development strategies until 2030, sector plans and programmes. They operate independently, often without much communication or collaboration with each other, which makes it a challenge to have a cohesive and integrated approach to broader issues.

The Kalisz-Ostrów Association has already achieved some key aspects of cross-sectoral integration. Strategic documents such as: Strategy for the supra-local development of the Kalisz-Ostrów Agglomeration until 2030; Sustainable Urban Mobility Plan for the Kalisz-Ostrów Agglomeration; The concept of cycling infrastructure development; Climate Change Adaptation Plan for the Kalisz-Ostrów Agglomeration; Senior policy of the Kalisz-Ostrów Agglomeration for 2020-2027; Safety improvement program - functioning of the system for counteracting and limiting the effects of catastrophic phenomena and failures in the area of the Kalisz-Ostrów Agglomeration for the years 2021-2027; Security and rational water management in the Kalisz-Ostrów Agglomeration were adopted. They designate a number of activities that influence the creation of lasting development processes in the Agglomeration. We need to increase awareness amongst our local government units to set up and leading multi-municipal projects in AKO FUA.

The SAT4SUD analysis indicated a low score [2] for guiding question 5.3. The involvement of private investors in funding the strategy is envisaged.

The AKO Association has planned appropriate actions to build a strong, supra-local economic position as a centre integrated with metropolises with high economic and social activity through, among others, integration of the offer of investment areas, strengthened mechanisms building entrepreneurial attitudes and increasing the level of activity economic, with extensive use of the PPP formula. The system of potential financing sources for the Strategy is based on various financial resources. In the specified directory sources of financing, an important issue should be the maximum use of the PPP formula, including package projects undertaken with the private sector, which in turn should encourage deepening cooperation of local government units within AKO and create conditions for the implementation of a larger number of projects. Special Projects related to the expansion and modernization of municipal infrastructure may play a role in this respect, such as local road network, water and sewage infrastructure, selective waste collection.

However, it is only a strategic provision. The AKO Association has not implemented any project in a PPP formula. Private investors often look for quick and short-term profits. If a venture requires a long-term commitment with minimal immediate financial benefits, this may discourage private investors. So far, no structure has been created that would allow for effective cooperation with the business sector and potential investors (such as Agglomeration Business Centre and Economic Council).

## 3.3. THE THREE GUIDING QUESTIONS

### Guiding question #1: [Governance:

How to develop a list of projects for the Strategy in the area of urban transport with the mismatch of the scope of the Cohesion Policy Funds support to sub-regional cities and how to negotiate with Managing Authorities in this regard?]

- Why:

The *European Funds for Infrastructure, Climate, Environment 2021-2027* (FENIKS) programme is a national programme implemented with cohesion policy funds. It supports investments under the ERDF and the Cohesion Fund under P.O. 2, P.O. 3 and P.O. 4. In Poland a Detailed Description of Priorities is a document that systematizes the program provisions, but does not change its scope. In this Detailed Description of Priorities for FENIKS (Specific objective 2.VIII) there is a provision on possible support for: infrastructure investments, including: rail infrastructure (tram, metro), transfer hubs (including: P&R car parks outside city centers), urban ITS systems, IT solutions, ticket sales and passenger information systems, rolling stock (trams, metro), bus and trolleybus fleet, Sustainable Urban Mobility Plans.

However, the project selection criteria do not include support for buses. We have received an official letter from the Managing Authority which states that low-emission buses will first be financed from another instrument - the National Reconstruction Plan, and then support may be available under the FENIKS program.

Support from the FENIKS program is targeted at provincial cities. Our functional urban area has 2 core cities – Kalisz and Ostów Wielkopolski. So, our needs are different (for example we don't have metro, trams).

Kalisz-Ostrów Agglomeration Association can receive PLN 180 000 000,00 (approx EUR 40 000,00) but due to the inability to finance the greatest needs of our Agglomeration such as: an integrated network of bicycle paths; purchase of low-emission buses; Park&go parking support we have planned projects for approximately PLN 140 000 000.00 (these are 3 projects for interchanges outside city centres and bicycle paths as part of the project and 1 project for ITS).

We believe that these 4 project for approx. PLN 140 000 000.00 are good partnership projects which meet the selection criteria. However, at the moment we will underspend. There is a threat that money from the FENIKS program for AKO may go to the general financial allocation (to beneficiaries outside AKO). However, we plan to submit projects for the purchase of low-/zero-emission buses under the FENIKS program.

In the regional program – European Funds for Greater Poland 2021-2027, support for ITI is more flexible. Within the framework of this program, projects can include the purchase of low- and zero-emission buses and the construction of bicycle roads. However, a problem in the work on the Strategy was the allocation between the specific objectives set for the ITI. The needs for sustainable transportation and mobility exceeded the needs for other specific goals, such as investments in digitization or climate change adaptation.

#### **What has been done:**

- ✓ We have discussed with the Managing Authority how to redirect the financial resources to specific objective (SO 3) cohesion policy because we wanted to finance the agglomeration railway. Unfortunately to no avail.
  - ✓ We have planned projects for approximately PLN 140 000 000.00 (these are 3 projects for interchanges and bicycle paths as part of the project and 1 project for ITS).
  - ✓ In negotiations with the Managing Authority (the Board of Directors of the Wielkopolska Region) of the regional program - European Funds for Greater Poland 2021-2027 the AKO Association negotiated transfers from P.O.1.II (digitization) to P.O. 2.IV (adaptation to climate change). However, it was not possible to reallocate funds from other objectives to P.O.2.VIII where the need was the greatest.
  - ✓ We are in the process of preparing a list of other projects (implemented outside the ITI instrument), which will be a new annex to the Strategy.
- What has worked, and what has not worked:

- ✓ We have developed good partnership projects which meet selection criteria of FENIKS program;
  - ✓ Our AKO supra-local development strategy until 2030 has a broader scope than the ITI Strategy - it focuses on sources of financing beyond cohesion policy;
  - ✓ We have developed 6 projects under P.O 2.8 in the regional program (4 projects to support an integrated network of bicycle routes and 2 projects to support bicycle routes and the purchase of buses in cities). 3 of them are partnership projects that will strengthen cooperation between AKO municipalities.
  - ✓ The scope of the program has not been yet adapted to the needs of all subregional cities and their functional areas.
- Comments
 

Together with other subregional ITIs, we are going to negotiate with the Managing Authority of the national programme FENIKS (Ministry of Funds and Regional Policy) and lobby to make the support more flexible.

**Guiding question #2:** [Cross sectoral integration: **How to build on existing and create new cooperation structures/ processes in order to effectively involve local and regional stakeholders in them?**]

- Why:
 

Our challenge is to continue cooperation in areas in which we have experience and strategic documents - health, senior policy, crisis management. On the other side we need to strengthen cooperation in areas such as: spatial planning and business. We would like to find or adapt the right cooperation structures in these areas. Moreover we would like to establish AKO Agglomeration Business Center and Economic Council. Through regular meetings and exchange of information, economic councils can promote the harmonious development of agglomerations and more effective use of resources.
- What has been done:
  - ✓ We have established The Agglomeration Council of Seniors and many thematic working groups to which employees of the municipalities and counties of the Agglomeration belong (figure 5);
  - ✓ In 2024 we are going to establish Agglomeration Women's Forum which will be a common and safe space for women at risk of social exclusion. We will submit an application for the establishment and operation of the Agglomeration Women's Forum; and it will be financed from European Funds from Greater Poland 2021-2027 program (ITI allocation in P.O. 4.L).
  - ✓ As part of „the Functional Areas in the EU” project implemented jointly with the European Commission and the World Bank, a "Spatial analysis of the Functional Area of the Kalisz-Ostrów Agglomeration" will be developed.
  - ✓ We have concluded cooperation agreements with Kalisz university and other FUA and cities. We have signed an agreement with the Wałbrzych Region Fund to join forces to build cooperation and consolidate relationships between entrepreneurs operating in the Lower Silesian and Greater Poland Voivodeships;
  - ✓ We have developed a catalogue of investment areas available in the Kalisz-Ostrów Agglomeration.
- What has worked, and what has not worked:
  - ✓ The Agglomeration Council of Seniors and the Wielkopolska Civic Parliament of Seniors Delegation play an important role in strengthening the role of seniors in social life;

- ✓ Cooperation agreements and established partnerships allowed for strengthening inter-sectoral cooperation but we need a strong focus on implementing partnership projects.
- Comments
 

In the Regional Innovation Strategy for Greater Poland regional specializations are: construction, leisure industry, renewable energy, industry 4.0, hydrogen technologies, closed-loop economy, precision industry, biotechnology, aerospace and chemical industry. Subregional specializations for Kalisz subregion are as follows: Precision industry; Biotechnology; Cosmonautics; Chemical industry. Regional specializations are: Bio-based raw materials and food for conscious consumers, Industry of tomorrow; Modern medical technologies.

**Guiding question #3: Governance** [How to engage local governments to set up and lead multi-municipal projects?]

- Why:

The awareness of cooperation is higher than at the beginning of the AKO Association (in 2015), however, particular interests often outweigh the benefits from implementing partnership projects. AKO municipalities are often afraid of lack of trust in other project partners. Uncertainty about the effectiveness of cooperation or fear of unequal sharing of benefits may discourage involvement. Municipalities that have no previous experience in implementing partnership projects may be afraid of the uncertainty associated with them. Multi-municipal projects may require additional staff to manage and monitor them. Local governments that often suffer work overload may avoid additional obligations for fear of overloading human resources.

Moreover, if a municipality does not see a specific benefit or added value resulting from a partnership project, it is usually less willing to implement it.

Our challenge is to increase awareness amongst our local government units to set up and lead multi-municipal, integrated projects in AKO FUA. We have an ITI Coordinators Team which consists of 25 employees (1 person from each unit). They are the link between the AKO office and local government units. We would like to develop their competences, especially in project management. We need to develop a clear concept of benefits that can increase municipal involvement.

What has been done:

- ✓ As part of cooperation with the University of Kalisz, we encouraged local government employees to start MBA studies;
- ✓ We have organized a number of workshops for local government employees regarding the identification of integrated projects and work on AKO strategic documents;
- ✓ Cohesion policy requirements regarding integrated projects in 2021-2027 influenced the development of partnership projects or projects affecting the residents of at least 2 local government units;
- What has worked, and what has not worked:
  - ✓ Thanks to many workshops and meetings with local authorities we have managed to develop a list of integrated projects under the regional program European Funds for Greater Poland 2021-2027 within 5 specific objectives. However, the process of developing these projects was quite long and required dividing the financial allocation among 25 local government units according to the number of inhabitants.