Chapter 1

STRATEGIC DIMENSION

Contributors

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Developing territorial and local development strategies able to ensure societal relevance and a clear future perspective is not an easy task. Experience has proven that integrated territorial strategies provide a good starting point. In the case of the European Union (EU) cohesion policy, they are required when investments are made in the form of territorial tools as per Articles 28 and 29 of the Common Provision Regulation (CPR)[17]. Nevertheless, they are also important for wise investments in territorial development outside the context of the EU cohesion policy.

Overall, **strategies can help deliver a coordinated response to often complex, interlinked and cross-sectoral regional and local challenges, development needs and potentials,** addressing the economic, social and environmental dimension of sustainable and resilient development. This is mirrored in the Territorial Agenda 2030 (TA2030)[18], which underlines the importance of strategic spatial planning for achieving territorial cohesion.

A strategic approach entails a 'transformative and integrative, (preferably) public sector-led socio-spatial process through which a vision, coherent actions and means for implementation are produced that shape and frame what a place is and might become' (Albrechts, 2006, pp. 1491). Hence, it tackles **societally relevant** objectives in a **time-bound frame,** based on a social pact and actions that pool actors' efforts and resources. **The strategy-making process should therefore provide a learning environment within a place, and the testing-ground for developing and verifying possible ideas.** A strategic approach should also look for **commitment to its delivery** from the very beginning.

A reinforced approach to strategic thinking pushes for **a more comprehensive understanding of development.** The ambition is to respond to emerging demands for well-being and quality of life, topics that have increasingly come to the fore especially since the COVID-19 pandemic. This ambition is well illustrated in the Italian National Strategy for Inner Areas (SNAI), where it is clearly stated that 'it is people's quality of life that sits at the heart of the plan' (Barca, Casavola and Lucatelli, 2014), with the twofold objective of improving communities' well-being and social inclusion, and increasing job opportunities and territorial capital uptake. In the same spirit, the new Slovenian National Spatial Development Strategy tackles quality of life as a concrete territorial development goal in both cities and rural areas (ESPON, 2021a).

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17   Regulation (EU) 2021/1060.
18   *https://territorialagenda.eu*

Going a step forward, there is **a need to focus on the reinterpretation of development opportunities,** as well as associated constraints, in the context of contemporary society towards a smarter, knowledge-based, greener economy, creating quality employment and social progress. The long-term vision for the EU's rural areas (EC, 2021) highlights this crucial step, as it can be of fundamental importance for reversing ongoing trends and contributing to opening up **new pathways for non-urban territories.**

Summing up, the main characteristics of a strategic dimension include thinking beyond the silos of individual sectors, players and governance levels; a transformative character opening-up new pathways; societal relevance; a focus on existing and emerging demands, challenges and potential; a clear future perspective; flexibility in adjusting to changing circumstances; and a reflective learning dimension.

All this amounts to a fundamental shift in relation to the traditional approach to policy-making. It requires major efforts to avoid policy path-dependency and to pragmatically link to global trends that have emerged in the international debate and the activities of supranational organisations. The Sustainable Development Goals (SDGs) of the United Nations (UN), the Territorial Agenda 2030, the EU Green Deal, the new orientations for the worldwide rural agenda by the Organisation for Economic Cooperation and Development (OECD), the long-term vision for the EU's rural areas – are the most prominent among a large portfolio of policy discourses and agendas. All together, they constitute the overarching policy directions for conceiving strategic actions based on local specificities.

Here below, we highlight a number of significant challenges for policy-makers on how to develop a strategic approach for territorial and local development strategies.

Strategic capacity is about the ability to integrate thematic areas, to mobilise resources and people for a common cause (strategic objective) and to navigate through the process while dealing with uncertainties. In many cases time pressure and already stretched human resources – especially in small regions and municipalities – make this a considerable challenge. First, it is not about implementing standard solutions. Second, managing authorities and local actors have a high level of flexibility in designing and implementing strategies. This underlines the importance of building strategic capacity for both local actors and managing authorities, as lack of expertise may also occur at the level of managing authorities.[19]

Developing a strategy which is transformative, future-oriented and inclusive **requires strategic orientation** to handle the complexity of issues and bring together multiple players and policies with a purpose. This pushes for a change in mind-set and willingness to experiment with novel tools, methods and practices.

Another challenge refers to the fact that **a strategy is never a stand-alone document but always embedded in a web of existing policies and agendas** of various sectors at higher levels of governance. Linking to the objectives put forward by national, EU or global policy agendas is not always easy. Nevertheless, global agendas can help local actors towards a strategic reinterpretation of local and regional development opportunities. Given an increasing and urgent energy and environmental crisis, it is particularly important to explore **how strategies**

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19   Capacity as a policy challenge is treated in other chapters of this Handbook. This chapter specifically addresses strategic capacity.

can contribute to a global green transition and fully grasp its opportunities on a local level.

Besides policies and agendas at higher levels of governance, there may be co-existing territorial or local development strategies, often using different territorial tools, that completely or partially operate in the same area. From a strategic point of view, the challenge here is to ensure that overall **policy action is coherent (to strengthen directionality) and coordinated (to increase impact).**

This building block will focus on the following challenges:

- *How to support strategic capacity.*
- *How to enhance strategic orientation through policy innovation.*
- *How to link strategies to EU and global agendas and deliver the green transition.*
- *How to foster coordination between overlapping strategies.*

CHALLENGE 1:
How to support strategic capacity

In many cases, regions and municipalities (especially smaller ones) must punch above their own weight when engaging with transformative multi-sector strategies (CoR et al., 2022a).

Concerns about local strategic capacity, mainly expressed by managing authorities, have to do with the lack of focus in identifying development needs and problems, insufficient justification of objectives and their intervention logic and the scope for better thematic integration (Van der Zwet et al., 2017). This applies particularly to complex territorial strategies in countries with less experience in integrated approaches, with high cohesion policy budgets, or where the introduction of territorial tools has prompted policy experimentation.

As a matter of fact, **strategic capacity largely depends on the maturity of institutional environments and appears rather unevenly spread across Europe.** Even in seemingly optimal circumstances (i.e. high levels of capacity and experience) integration can pose significant challenges. Coupled with low budget allocation, this may lead to 'giving up' on integration.

Capacity building measures can help improve policy management, strategic and operational planning, and evaluation. Moreover, working on capacity building across different levels of government ensures that knowledge is passed downwards and upwards, and that shared learning is fully embedded in the policy framework.

Focusing on Community-led Local Development (CLLD) and Integrated Territorial Investment (ITI), there are considerable differences in the targeted offer for capacity building:

- **CLLD strategies** can rely on the extensive methodological support developed within the LEADER approach in past programming periods, well represented

by the European Network for Rural Development (ENRD). Also, the LEADER method embeds a clear focus on cooperation, which helps dissemination and exchange. For example, LEADER/CLLD strategy documents are made available in appealing and easy to understand formats (e.g. booklets, leaflets, project brochures, visuals). Even if in original language, this simple type of easy-access resources nurtures a culture of learning.

- **ITI strategies** were only introduced in the 2014–2020 programming period, and have no dedicated platform for policy learning and support. Thematic objective (TO) 11 'Efficient public administration' was available to support capacity building also for ITI strategies. However, only a few strategies have benefited from this, among others the Spanish AZUL macro-regional strategy and the Danube Delta strategy in Romania. This could signal that strategy-specific investments in capacity building are seen as useful only when high complexity is envisaged, while for most of the cases other forms of technical assistance (e.g. external experts) are preferred.

Strengthening strategic capacity at a local level

Strategic capacity is crucial for local policy-makers who are in charge of steering strategy processes and must have the resources to master it. Capacity can be strengthened by means of staffing, training, networking, establishment of common procedures and organisational arrangements designed to facilitate collaboration and the exchange of knowledge and resources between relevant stakeholders (ESPON, 2013).

In general, managing authorities can support local policy-makers and the wider network of involved players by means of **formal guidance, fine-tuning of different procedures** for strategy management (e.g. templates, selection criteria and methods, evaluation initiatives, agreements) **and technical training.** More importantly, managing authorities can facilitate networking and exchange activities that can also help **to strengthen the collaboration between managing authorities and local strategy teams.** They are also important to activate feedback loops and up-scale the policy messages raised from local experiences and territories.

It is important that procedures for designing and implementing integrated territorial development strategies, especially if new or rather demanding, rely on capacity building measures. This is the example of the RegioWIN competition implemented in the region of Baden-Württemberg (Germany) for the allocation of the European Regional Development Fund (ERDF) in 2014-2020. RegioWIN pushed districts, cities and municipalities to find innovative solutions for sustainable development by working with relevant players from industry, science, society and administration. Moreover, the RegioWIN process gave sub-regional territories extended access to instruments that are usually only available for specialists, and helped to establish strategic thinking in territories with little or scattered strategic awareness or limited collaborative spirit (Haberle, 2016).

National governments can play a prominent role in building strategic capacity. Although this role has not been widely taken up in the 2014–2020 programming period, there are many examples of national policy support systems that have been set up for the 2012–2027 programming period (see Chapter 3, Governance).

In Italy, **the National Strategy for Inner Areas (SNAI)** was initiated in 2014–2020 and is to be continued in the current programming period, making use of both CLLD and ITI for its implementation. One of its key features is the exchange of experience and monitoring at the national level, coupled with local, regional and national learning processes. This allows for progressively increasing the level of autonomy in strategy elaboration and implementation at the local level. This feature is operationalised by the initiative called Federation of Inner Areas. Each inner area can rely on the guidelines, methods and thematic focuses identified in the SNAI, but it has to develop its own unique, place-based strategy. Exchanges and revision rounds that involve technical and sectoral experts at regional and national level accompany the process leading to the final approval of the local strategies.

FEDERATION OF INNER AREAS (ITALY)

In the context of the Italian National Strategy for Inner Areas (SNAI), the Federation of Inner Areas facilitates the exchange of experiences between Inner Areas by means of a platform for testing, comparing and mutual sharing of local experiences, as well as competence upgrading. The approach differs from the usual concept of technical assistance.

The main rationale is to take individual projects out of their isolation, in order to advance over time the capacity of actors to implement the strategy and innovate together with and in the Federation. In fact, the SNAI envisioned each Italian region to develop a pilot strategy, allowing learning-by-doing across the whole country and thereby developing prototypes to learn from through other territories.

According to the Charter approved in 2018 in a meeting of all the Inner Areas' mayors, the Federation aims to:

- make available technical and strategy management know-how (methods of territorial analysis; statistics and maps; methods of evaluation; project management and evaluation skills; etc.);
- carry out in-depth analysis and comparison between project areas through meetings among local actors and with the involvement of experts able to provide technical information on specific operational aspects;
- develop opportunities for exchange/twinning on key topics among Inner Areas based on 'peer comparison' and a 'learning community';
- track progress of actions implemented in the different areas and monitor the delivery of the overall SNAI strategy;
- strengthen recognition of Inner Areas as a place of experimentation and innovation.

For more information

SNAI website: *https://www.agenziacoesione.gov.it/strategia-nazionale-aree-interne/?lang=en*

Barca, F., Casavola, P. and Lucatelli, S. (Eds.), *A strategy for Inner Areas in Italy: definition, objectives, tools and governance,* UVAL, Issue 31, 2014. Available at: *https://www.agenzia-coesione.gov.it/wp-content/uploads/2020/07/MUVAL_31_Aree_interne_ENG.pdf*

Learning from practice

Strategic capacity can also be increased by working with external bodies, e.g. research centres, as in the case of the Belgian ITI Limburg strategy (for more information on this example, see Chapter 4, Cross-Sectoral Integration), or even

world organisations like the World Bank, as in the case of the ITI Danube Delta strategy in Romania.

In any case, external support cannot fully replace local capacities to take a leading role in the development of a strategy. **Active local participation and leadership is needed to ensure the ownership of the strategies and smooth implementation.** Taking into consideration that strategic capacity is context-based and evolves over time, institutionalisation is particularly important for new organisational arrangements like networking platforms, joint working groups, new bodies created for strategy implementation, etc. (see Chapter 3, Governance).

A good example of capacity building initiatives targeting local authorities is the Summer School for local administrators[20] organised since 2017 by ComPA FVG Foundation, an instrumental body of the National Association of the Italian Municipalities, in collaboration with the OECD Trento Centre for Local Development. The Summer School is conceived for policy-makers (i.e. local elected representatives) to acquire an open mind-set towards strategic planning, integrated local development and EU policy instruments.

Finally, both ITI and CLLD strategy teams can also receive support from **technical assistance** (TA) in the context of EU cohesion policy.

Strengthening strategic capacity of managing authorities

Lack of strategic capacity and skills can also affect managing authorities, for example when it comes to understanding integrated place-based approaches. It is crucial for managing authorities to have the necessary capacities for this as they play a key role in defining the rules of the game and setting the conditions for ensuring a positive impact.

National support systems can play a relevant role also for managing authorities (see Chapter 3, Governance) but there are practical solutions to be explored even when such support systems do not exist. One solution can be **to increase communication across different managing authority units.** Depending on the institutional organisation, this can involve the department responsible for territorial and local development strategies (usually with large expertise on EU funding and regulations, but limited knowledge on content and methods for strategic territorial planning), sector departments that work on relevant technical components of a strategy and other departments with previous experience with an integrated approach (for example, those that have dealt with LEADER strategies being implemented in the past). Another solution would be **to reinforce the role of existing units for better linking internal and external networks.** This would be the case, for example, of a regional statistical department that elaborates indicators for the totality of the strategies in a region, building a transparent evidence-base and a common baseline and allowing benchmarking. The same department could also promote fruitful dialogue between the programming unit and the evaluation unit (see Chapter 6, Monitoring).

Moreover, funding for **technical assistance** (TA) from the EU cohesion policy could also be directed to staff of managing authorities.

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20 *https://www.oecd.org/cfe/leed/summer-school-fvg.htm*

Capacity building offered by EU networks

Given that there is no dedicated network under cohesion policy supporting strategic capacity of territorial and local development strategies in non-urban areas, **peer-to-peer learning at country and international level can be a valid option.** For instance, the EU tool **TAIEX-REGIO PEER2PEER**[21] can be used to facilitate exchange of expertise among bodies managing ERDF, Cohesion Fund (CF) and Just Transition Fund (JTF), including both managing authorities and local bodies implementing integrated territorial development strategies. The tool helps civil servants share knowledge, good practice and practical approaches with their peers in other EU countries (see Chapter 3, Governance chapter).

Going beyond the strict context of EU cohesion policy, methodological support provided by **platforms and networks tailored to local development, rural areas or small towns can provide useful information to a wide range of territorial and local development strategies.** Among the main relevant EU networks, we highlight the European Network for Rural Development (ENRD)[22], now managed under the Common Agricultural Policy Network (CAP Network)[23], and the Fisheries and Aquaculture Monitoring, Evaluation and Local Support Network (FAMENET)[24] as well as international associations like the European LEADER Association for Rural Development (ELARD)[25] and the Local Development Network (LDnet)[26].

EUROPEAN NETWORK FOR RURAL DEVELOPMENT (ENRD) AND COMMON AGRICULTURAL POLICY NETWORK (CAP NETWORK)

The ENRD, established in 2008 by DG AGRI, is a hub that connects rural development stakeholders throughout the EU. The ENRD contributes to the effective implementation of Member States' Rural Development Programmes (RDPs) supported by the EU Common Agricultural Policy (CAP) by generating and sharing knowledge, as well as through facilitating information exchange and cooperation across rural Europe.

Some examples of resources aiming at improving strategic capacity are:

- The ENRD work on LEADER and Community-Led Local Development has contributed to improving the quality of LEADER/CLLD strategies implemented under RDPs. Among the many resources that can be useful for managing authorities and local actors implementing CLLD under the EU cohesion policy, there are: the LEADER Toolkit, a full guidance package for policy-makers and implementers; the ENRD repository of good practices and common issues; peer learning and capacity building events for LEADER/CLLD actors.

- The ENRD Thematic Groups (TGs) on Rural Revitalisation and on Rural Proofing. The TG on Rural Revitalisation has focused on the key enabling factors that drive rural revitalisation and shares best practice. The report 'Enabling factors for rural revitalisation & a self-assessment tool for policy design', published in 2022, aims to help stakeholders assess if key factors for successful policies

Additional resource

21 *https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/taiex-regio-peer-2-peer*

22 *https://enrd.ec.europa.eu*

23 *https://eu-cap-network.ec.europa.eu/index_en*

24 *https://oceans-and-fisheries.ec.europa.eu/funding/famenet_en*

25 *http://elard.eu*

26 *https://ldnet.eu*

and programmes are in place. The TG on Rural Proofing has developed recommendations that can guide the design and implementation of rural proofing mechanisms within Member States at different administrative levels (national, regional and local).

- The ENRD Smart Villages Portal offers videos, publications, thematic briefs, case studies and orientations on how to build complementarities between Smart Villages strategies and CLLD and ITI strategies.

Future networking work relevant for territorial and local development of rural areas (e.g. LEADER CLLD, Smart Villages, rural proofing, etc.) will continue under the CAP Network.

For more information

ENRD website: *https://enrd.ec.europa.eu*

ENRD Smart Villages Portal: *https://enrd.ec.europa.eu/enrd-thematic-work/smart-and-competitive-rural-areas/smart-villages_en*

European Network for Rural Development (ENRD) - LEADER/CLLD: *https://enrd.ec.europa.eu/leader-clld_en*

European Network for Rural Development (ENRD), Thematic Group on Rural Revitalisation, 'Enabling factors for rural revitalisation & a self-assessment tool for policy design', June 2022. Available at: *https://enrd.ec.europa.eu/publications/enabling-factors-rural-revitalisation-self-assessment-tool-policy-design_en*

CAP Network: *https://eu-cap-network.ec.europa.eu/index_en*

EU-wide initiative supporting smart villages can also be useful to enhance strategic capacity when designing small-scale territorial and local development strategies in non-urban areas.

Additional resource

1ST PREPARATORY ACTION ON SMART RURAL AREAS IN THE 21ST CENTURY – SMART RURAL 21 (2019–2022)

The EU Action for Smart Villages was launched by the European Parliament in the spring of 2017, with the support of three European Commission Directorates General (DGs) – DG for Agriculture and Rural Development (AGRI), for Regional and Urban Policy (REGIO) and Mobility and Transport (MOVE).

The 'Preparatory Action on Smart Rural Areas in the 21st Century' (Smart Rural 21) project was launched in 2019. It aims to promote and inspire villages across Europe to develop and implement smart village approaches and strategies.

It offers direct technical guidance to 21 selected rural communities and, since 2020, the Come Along! Activity has opened up the opportunity for other villages to join.

Among other tools, the project offers a Roadmap Toolbox for strategy delivery. More specifically, the editable template called 'Smart Village Strategy Template' helps rural communities develop a clear vision and define the related action plan for their village's medium to long term development. The strategy template consists of a predefined structure with different sections (to be completed by smart village leaders) and builds on participatory approaches within the local community. Each section contains a series of guiding questions to help local strategy owners

fill it in. The components of the template refer to stakeholder engagement; links to programmes/ strategies at a higher administrative level; links to existing local strategies and smart solutions.

The Smart Rural 21 project will continue under the '2nd Preparatory Action on Smart Rural Areas in the 21st Century' (Smart Rural 27).

For more information

Smart RURAL 21 website: *www.smartrural21.eu*

Smart Village Strategy Template:
https://www.smartrural21.eu/roadmap-toolbox/smart-village-strategy-template

Smart RURAL 27 website: *www.smartrural27.eu*

CHALLENGE 2: How to enhance strategic orientation through policy innovation

Territorial and local development strategies are meant to be transformative strategies, i.e. able to identify new pathways and deliver change, which mark the essence of a strategic dimension.

In order to successfully cope with increasing environmental, social and economic complexities as well as high uncertainty, territorial and local development strategies must count on the contribution and commitment of a large number of actors and organisations – both within and outside the geographical remit of the strategy. Consequently, their strategic orientation largely builds on the capacity to create a sense of collective direction underpinning the large set of actions (financial, organisational, behavioural, etc.) needed to achieve a desired policy objective. This means that policy-makers must be ready to test more collaborative efforts and policy innovation, i.e. 'novel processes, tools and practices used for policy design and development that result in better problem solving of complex issues' (Brookfield Institute for Innovation + Entrepreneurship, 2018).

Policy innovations can also help to link the 'what' and 'how' questions: what the strategy is about and how it is designed, implemented and revised. **Experimentation, learning and reflective practice can enhance and help maintain the strategic orientation of policy action from design to delivery.** This includes:

• reflection-in-action to feed informed decision-making and allow adaptation over time; and

• reflection-on-action, which requires stepping back and reflecting on the process so far (e.g. through policy evaluations or stock-taking of policy impacts).

OECD OBSERVATORY OF PUBLIC SECTOR INNOVATION

The OECD Observatory of Public Sector Innovation was founded in 2013 and puts innovation at the heart of government. It provides public sector innovation support and guidance, covering the following topics: anticipatory innovation; mission-oriented innovation; innovation trends; systems approaches; innovation management; strengthening innovative capacity.

It offers an extensive repository of policy innovation efforts and has become a global knowledge hub for sharing learnings by means of:

- Case Study Library. This webtool contains many case-studies and allows exploring them by: country, level of government, type of innovation, stage of innovation, etc.

- Toolkit Navigator. This compendium for public sector innovation and transformation offers freely available innovation toolkits (tools, methods, handbook, studies, game-based tools, etc.). It contains information about common methodologies used for public sector innovation, links to relevant government case studies applying these methodologies and access to a network of public sector innovators.

- Portfolio Exploration Tool. This free self-assessment tool allows for determining an organisations' capability to innovate and helps to discover and organise innovation activities within a coherent portfolio.

For more information

OECD Observatory of Public Sector Innovation website: *https://oecd-opsi.org*

Findings from the Territorial Agenda 2030 Pilot Action 'A future for lagging regions'[27] underline that strategies should include experimental clauses and allow for innovation when traditional tools do not match the needs of territories (BBSR, 2022).

Not all experiments and innovations are success stories. Therefore, **it is important to allow for failures or paths that are less fruitful than expected, and to learn from mistakes.** Failures should be seen as opportunities for learning and readapting. Experimentation and bearing the uncertainty of outcomes requires institutional capacity, which initially needs to be developed. Poor quality of regional or local institutions and inadequate capacities of local elites may hamper this process. As such, it is necessary to find appropriate and possibly less disruptive ways to introduce policy innovations that are suitable for a place's particularities.

To provide some inspiration and allow for a discussion about which types of policy innovation might be relevant in a particular context, four approaches to strategy–making that can be relevant for territorial and local development strategies include:

- mission-oriented approach;
- spatial imaginary;
- co-design; and
- stewardship.

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27   *https://territorialagenda.eu/pilot-actions/a-future-for-lagging-regions*

Mission-oriented approach

Territorial strategies usually respond to one or several grand societal challenges (e.g. demographic change, economic revitalisation, digital transition, carbon neutrality, etc.) and create public value for inhabitants. A mission-oriented approach aims to engage research and innovation (R&I) in meeting such challenges, providing a clear purpose to action, orchestrating the rich diversity of expertise, instruments, resources and competences that are scattered over different players, and enabling bottom-up solutions (EC and Mazzucato, 2018). Thinking in terms of broader missions can help territorial development strategies to focus, generate excitement, and identify opportunities in ambitious ways. At the same time, **a mission-oriented approach requires a deep understanding of contextual challenges to stimulate new opportunities.** It is by locating missions in places – e.g. in towns, regions, islands or forests – that a range of both problems and solutions come together (Vinnova, 2022).

Achieving carbon neutrality by 2030 in a specific town, district or region is a clear example of a mission-oriented approach to the climate challenge, which otherwise could remain an abstract goal. This is well illustrated in the climate mission of the Finnish municipality of Ii.

II MUNICIPALITY'S CLIMATE MISSION (FINLAND)

The municipality of Ii encompasses a town of some 10,000 inhabitants north of the city of Oulu. Ii thrives to become a zero emission and waste-free community. A decade ago, municipal leaders and stakeholders joined forces and decided together to address the climate change challenge through a wide range of voluntary initiatives from grassroots level. Since then, the main goal has been to develop local solutions to global challenges.

Ideas and plans around a clean energy transition have led to a long-term integrated strategy for a fully carbon-neutral municipality. Wide participation has helped ensure local ownership and collective commitment.

Many projects have been put in place around the main mission of carbon-neutrality, investing on research and innovation (R&I) activities as well as on inclusiveness.

For example, the 'CircLab' project (2019-2021) aims at developing local competence and service models in circular economy as a nutrient recycling cluster. Micro-seaweed solutions are used to clean industrial waste waters to create valuable nutrients for further green growth. At the same time, main efforts have been made towards encouraging active engagement of children and young people through climate action activities in all schools and nurseries. It is considered an important investment at the heart of Ii's climate work, in anticipation of the days when these children will likely have leading roles in society.

To ensure that strategic orientation is maintained during the implementation phase of the local strategy, the various action lines and projects are secured into the budget and all departments have to report on their contribution to the strategy.

The strategy has benefitted from the support of the Finnish national programme HINKU – Towards Carbon Neutral Municipalities. Launched in 2008, it is a network

Learning from practice

Mission-oriented strategies can generate large and small innovative projects:

- **Large-scale projects.** These projects can become the backbone of the strategy because they translate the mission into several structural actions. For them, stronger decision capacity and commitment is required by both public authorities and important stakeholders. The projects have the key visibility that reinforces the unitary understanding of the designed territory.

- **Small-scale projects.** These projects can mobilise actors in the area and make the entire strategic process more visible, establishing the foundation for consensus and for larger forms of cooperation. Small innovations that make a difference in the short-term are crucial to creating commitment in the long-term. In this way, local communities can see the results and realise the potential for change. For example, even low-budget CLLD strategies can perform strategically by serving as testing beds for small innovations; scaling-up can be implemented under other regional or national programmes.

Spatial imaginary

A spatial imaginary or vision defines a desirable picture of the future and illustrates it in appealing images concerning the strategy area (e.g. maps, visual scenarios, datascapes, postcards from the future, etc.). To be meaningful, it needs players who share common values, commit to clear actions and a timeframe to realise the vision in the long-run. In such cases, **a spatial imaginary can become the guiding reference for experimental projects based on strategic objectives.**

The absence of a common narrative in policy design and strategies – which can also be called a lack of spatial imaginary –represents a serious challenge for territorial cohesion as it can contribute to uneven patterns of economic development (ESPON, 2021b).

Territorial and local development strategies prompted by the EU cohesion policy outside standard planning processes can make use of spatial imaginary for generating new territorial narratives, and mobilizing them into operational policy instruments.[28]

Territorial and local development strategies are and should remain living documents that are adapted throughout their implementation to respond to new emerging needs.

Be careful!

Be careful!

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28 The ESPON project IMAGINE (2021) explores the interregional area between Milan and Bologna in Italy, with the aim of developing formal cooperation and establishing joint spatial scenarios and policies, eventually delivering an experimental ITI strategy proposal: *https://www.espon.eu/imagine*.

Strategic planning is inherently about the future, but the future is inherently uncertain. Local changes, as well as disruptive global factors (such as the 2008 financial crisis, the European migrant crisis and the more recent COVID-19 and energy crisis) may require revision.

A good strategy equips an area and communities with the means to react and adapt to uncertain circumstances and allow them to explore and compare alternative spatial scenarios, as illustrated by the 'Luxembourg in Transition' initiative.

LUXEMBOURG IN TRANSITION (2020–2022)

In the face of the global environmental emergency, Luxembourg is seeking to equip itself with a territorial strategy based on a broad citizen consensus. This strategy comprises a long chain of decisions and actions aiming to reverse the actions and processes that contribute to the phenomenon of climate change (transition), while attempting to minimise the impact on citizens' quality of life and on biodiversity.

To support this process, in 2020 the Department of Spatial Planning of the Ministry of Energy and Spatial Planning launched an urban-architectural and landscape consultation entitled 'Luxembourg in Transition – Spatial visions for the low-carbon and sustainable future of the Luxembourg functional region.' 'Luxembourg in transition' has developed a spatial vision – or spatial imaginary – for a zero-carbon and resilient future. The visioning process was conducted in cooperation with a small number of multidisciplinary teams in three stage to deliver ecological transition scenarios for Luxembourg and its cross-border area, translated into concrete flagship projects. To sketch out this evolution, the teams developed visionary and effective tools, methods and devices through intense interdisciplinary work within the Luxembourg cross-border functional region as a case study and primary object.

This process is also one of the policy actions of the Territorial Agenda 2030.

For more information

Luxembourg in transition website: *https://luxembourgintransition.lu/en*

Territorial Agenda 2030 pilot action:
https://territorialagenda.eu/pilot-actions/cross-border-spatial-planning

Learning from practice

Co-design

Co-design reflects a fundamental change away from developing policy *for* people and towards designing policy *together with* citizens and stakeholders. It also fosters new collaborations between citizens and governments and between citizens affected by, or attempting to resolve, a particular challenge.

There is an increasing demand for support on how to organise and facilitate policy co-creation processes and remarkable experiences run in the context of EU regional policy (see chapter 3, Governance). A wide range of tools and techniques are available to support the co-design process of territorial strategies, e.g. workshops, consultation, fieldwork, living labs, serious game, etc.

Among them, **living labs**[29] **can be a good tool to refresh the CLLD method** with a stronger focus on innovation and they can also help get a new strategy off the ground. For instance, living labs have been used in the development of integrated development strategies under the cross-border programme ALCOTRA (FR-IT) in the programming period 2007-2013.

In most cases, no single actor has sufficient encompassing knowledge to know what works, where and why. Therefore, **co-design processes can be crucial for detecting local needs and capacities, as well as local actors' availability and commitment to strategy delivery.**

Learning from practice

CLLD STRATEGY OF LOCAL ACTION GROUP GOTSE DELCHEV-GARMEN-HADZHIDIMOVO (BULGARIA)

The 2014-2020 CLLD strategy of the Local Action Group (LAG) 'Gotse Delchev-Garmen-Hadzhidimovo' in Bulgaria shows the importance of identifying small-scale projects that match a local community's needs with the feasibility of investments.

In this case, the ambition of the strategy was determined by a reality check assessing meaningful impacts. As such, the definition of the strategy action plan took into account the potential beneficiaries, which had been identified and involved in the consultation process. During the public discussion, different measures, their prioritisation and the distribution of the financial resources were discussed in detail. The potential beneficiaries of projects contributed to identifying the needs and problems of the territory. Furthermore, they proposed priorities and measures and expressed interest in its future application, helping the LAG in evaluating the implementation potential of each measure against the overall objectives of the strategy.

Measures are funded under single funds among the three different funds available, including ERDF, the European Agriculture Fund for Rural Development (EAFRD) and the European Social Fund (ESF). This choice was made pragmatically with respect to the potential beneficiaries, for whom combining different funds under a single project was seen as too difficult, risking hampering their implementation.

For more information

Vakareeva, Tereza, *LAG GOTSEDELCHEV-GARMEN-HADZHIDIMOVO (Bulgaria),* in Servillo, L., *CLLD under ERDF/ESF in the EU: A stock-taking of its implementation,* Final Report, European Commission, Brussels, December 2017. Available at: *https://ec.europa.eu/regional_policy/en/ information/publications/studies/2018/clld-under-erdf-esf-in-the-eu-a-stock-taking-of-its-implementation*

STRAT-Board strategy fact-sheet:
https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=BG-CLLD-002&fullscreen=yes

Innovative co-design mechanisms can also become embedded in the implementation phase, as in the case of the ITI strategy of the Spanish region of Castilla-La Mancha (for more information on this example, see Chapter 5, Funding and Finance). Here , novel co-design arrangements primarily target sub-regional public administrations and aim to develop new knowledge in order to fully exploit the growth potential of a place, as this kind of knowledge is usually not readily available (Barca, McCann and Rodriguez-Pose, 2012).

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29   According to the European Network of Living Labs (ENoLL), living labs are open innovation ecosystems in real-life environments: *https://enoll.org/about-us/what-are-living-labs.*

INTEGRATED TERRITORIAL INVESTMENT (ITI) OF CASTILLA-LA MANCHA (SPAIN)

The ITI strategy of Castilla-La Mancha pursues the socio-economic recovery of five extremely sparsely populated areas at risk of high depopulation. The strategy focuses on digitalisation, promotion of new economic activities and sustainable use of endogenous resources, with large economic potential expected in green economy sectors. It draws financial support from ERDF, ESF and EAFRD and integrates them at programme level to ensure the smooth implementation of projects. The strategy-making builds on the engagement of local actors, a thorough identification of local challenges and tailored statistical analyses of socio-economic and territorial indicators.

In order to prioritise interventions tailored to local needs and opportunities, an innovative mechanism for collecting 'Expressions of interest' has been introduced. Through this mechanism, sub-regional public bodies (town councils, provincial councils, or other government bodies) can submit project ideas for co-funding. This is particularly relevant in territories suffering from severe depopulation, as there is no easy solution to the challenges and the engagement of local stakeholders is difficult.

Territorial Participation Subcommittees in each province facilitate the participation and dialogue with the ITI territories for the elaboration of 'Expressions of interest', their evaluation and promotion. These Subcommittees are in charge of identifying potential project ideas, helping local stakeholders prepare 'ex ante' projects that can be submitted to calls and assessing all projects submitted so as to ensure the relevance of the projects and actions supported in the territory. Technical assistance is made available in each of the five ITI areas.

For more information

Paton, J., *Analysis of the ITIs effectiveness in Spain (2014-2020),* Infyde, European Commission Directorate-General for Regional and Urban Policy, 2020. Available at: *https://iti.castillalamancha.es/sites/iti.castillalamancha.es/files/2020-03/ITI_E3_FINAL_Report_Spanish_Version-CLM.pdf*

ITI Castilla-La Mancha website: *https://iti.castillalamancha.es*

STRAT-Board strategy factsheet: *https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=ES-128&fullscreen=yes*

Learning from practice

Stewardship

Stewardship involves accompanying the policy process, looking after it and steering it towards certain outcomes. It goes well beyond facilitation, as it actively shapes the course of innovation (Boyer et al., 2013) and can be seen as a form of leadership that focuses on the community and society at large. In short, stewardship is the art of getting things done amidst a complex and dynamic context.

Stewardship is a core ability for agents of change when many minds are involved in conceiving a course of action, and many hands in accomplishing it. This is the case of territorial and local development strategies, which depend on many different actors working together, and for many years. The implementation of a strategy is better guaranteed by this stewardship for the entire strategy

process, from design to implementation. This involves a group of organisations or people who steer the strategic priorities to achieve meaningful changes. In this manner, the capacity to cooperate is reinforced and strategic orientation is enhanced, like in the inspirational example of the local development strategy of Fundão in Portugal.

Learning from practice

FUNDÃO INNOVATION PLAN (PORTUGAL)

Fundão is a Portuguese municipality of approx. 700 km² and 27 000 inhabitants – 15 000 of which live in the core town. The area is located in the interior of the country and has been experiencing a progressive population decline along with economic stagnation since the 1960s.

To revert these developments, the Fundão municipal council has worked, since 2012, towards a smart territorial innovation strategy that promotes the diversification of the local economy with the goal of making it fit for the digital era. The strategy addresses all the factors that contribute to attracting and retaining people through investment in innovation, qualified employment and quality of life standards. To do so, major efforts have been made on education and training, IT technology, R&D and Agriculture 4.0.

The strategy was designed with a network of partners ('with all and for all') – Smart Rural Living Lab Cova de Beira – that Fundão created and leads under the coordination of the mayor's office. The consortium integrates public and private entities (Universities, schools, associations, companies and financial institutions). The Smart Rural Living Lab Cova de Beira was created in partnership with the European Network of Living Labs.

To finance the various activities, the local development strategy has bound together different streams of national, European and private funding. The sub-regional ITI Beiras and Serra de Estrela, which includes ERDF, ESF, the Cohesion Fund (CF) and EAFRD, for instance, financed schools' renovation and adaptation, the hospital extension and a program of valorisation of natural heritage. Economic support for the strategy also came from private investors. Other interventions have been financed by means of the municipal SUD strategy and two CLLD strategies.

As a result of this strategy, Fundão has been able to create an innovation eco-system that has attracted so far 16 IT companies, created 1 000 qualified jobs in the digital sector and over 80 start-ups, and supports 250 private investment projects. In a region threatened by depopulation, Fundão registers today a positive migratory balance and people from 63 different nationalities call it home.

Main success factors of the local development strategy include a strong (mayoral) leadership; an inclusive approach, whereby the strategy is simple and easy to understand for everyone; a pragmatic approach to size action according to the limited human resources of the local municipal team; community ownership, communication and promotion as an integral part of the strategy making – targeting both the local community and the outside world.

For more information

STRAT-Board Strategy Fact Sheets:

- Pact for Territorial Development and Cohesion of the Intermunicipal Communit of Beiras and Serra Da Estrela: *https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=PT-122&fullscreen=yes*

– CLLD strategy Beira 2020: *https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=PT-CLLD-048&fullscreen=yes*

– Strategic plan for urban development of Fundão: *https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=PT-127&fullscreen=yes*

CHALLENGE 3: How to link strategies to EU and global agendas and deliver the green transition

Territorial and local developments often deal with the consequences or local impacts of global developments such as climate change, loss of biodiversity, environmental hazards, etc. Mitigating risks and increasing resilience to developments beyond their own sphere of influence is a major challenge for regional and local strategies. While primarily addressing regional and local development needs, strategies need to reduce potential local impacts of future risks; but they also aim at making a difference with regards to the factors causing the risks at a global level, for example by reducing pollution, waste or soil sealing.

Overarching strategies and policy agendas

In many cases, **regional and local players can gain support by linking their strategic work to overarching strategies and policy agendas** at national, macro-regional, European or global level.

With regard to climate change and environmental degradation – the most challenging threats to living conditions – the key policy packages at the EU level are: the EU Green Deal[30] (including the 'EU Fit for 55' covering a wide range of policy areas like climate, energy, transport and taxation[31]), the EU Soil Strategy[32] and the EU Biodiversity Strategy.[33] The Territorial Agenda 2030 has a stronger territorial focus with its Green Europe objective. At a global level, related objectives can be found in the UN 2030 Agenda and SDGs.[34]

There are also other key policies that have a strong impact on non-urban territories. The new European Digital Agenda,[35] or the long-term vision for the EU's rural areas (LTVRA),[36] are prominent examples among a vast number of **overarching** strategic frameworks.

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30 *https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en*

31 *https://climate.ec.europa.eu/eu-action/european-green-deal/2030-climate-target-plan_en*

32 *https://environment.ec.europa.eu/publications/eu-soil-strategy-2030_en*

33 *https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en*

34 *https://sdgs.un.org/2030agenda*

35 *https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/europes-digital-decade-digital-targets-2030_en*

36 *https://ec.europa.eu/info/strategy/priorities-2019-2024/new-push-european-democracy/long-term-vision-rural-areas_en*

A major objective of all the above agendas is **the just and green transition, i.e. the transition towards a climate-neutral society in a fair way, leaving no one behind.** More concretely, it implies the transition of the EU economy and society towards carbon neutrality by 2050 and the achievement of international climate and environmental objectives. This includes cutting pollution and waste, but also developing green technologies and creating a sustainable industry and transport sector. To achieve a green transition, the EU and national levels provide framework conditions, regulatory and legal settings and funding. However, **the local and regional level is pivotal for building resilient communities** and steering regional and local developments **towards a carbon neutral, resource efficient and prosperous future.**

Strengthening local ownership

Territorial and local strategies can benefit from reinforced links with the EU Green Deal towards more resilient territories. Thanks to its strong narrative and funding, **the EU Green Deal can help build more focused strategic orientation** based on the valorisation of natural resources, pool relevant stakeholders and bundle investments from different financial sources.

At the same time, **territorial and local development strategies can effectively contribute to delivering the EU Green Deal.** In fact, local governments are more and more deeply engaged in designing and implementing many of the policies covered by the EU Green Deal (CEMR, 2020). More specifically, they can help green and just interventions be defined on the basis of territorial specificities (ESPON, 2022) and be addressed in an integrated way.

Already today, the green transition is an important topic addressed in many territorial and local strategies. Data from the 2014–2020 programming period show that almost 40 % of territorial and local development strategies address issues such as air quality, circular economy, climate adaptation, energy, low carbon economy, nature-based solutions. Around 30 % of strategies address thematic objectives (TOs) related to green investments (i.e. TO4 'low-carbon economy', TO5 'climate change adaptation, risk prevention and management', and TO6 'environment protection and resource efficiency') aiming to develop an integrated strategy for a given territory. Moreover, two out of three of these strategies indicate social inclusion as a cross-cutting key-word.

To a large extent, strategies already conform with the EU Green Deal themes, but investments are not necessarily fully plugged into the green transition narrative.

To address this point, the Green Deal Going Local flagship initiative of the Committee of the Regions addresses regional and local politicians with the aim of bringing the green transition on political agendas across Europe and linking it to local needs and planning processes.

Learning from data

COMMITTEE OF THE REGIONS – GREEN DEAL GOING LOCAL

Green Deal Going Local is a flagship initiative of the European Committee of the Regions (CoR). It emphasizes that places, cities and regions are at the heart of the EU's transition towards climate neutrality. It comprises a set of communication and engagement tools to accelerate the green transition at the local and regional level. The main goals are:

- To empower Europe's local and regional leaders to take action on climate change.

- To accelerate the up-take of EU funds among local and regional authorities and increase delivery of sustainable EU-funded projects in Europe's local communities.

- To showcase how EU regions, cities and villages are leading the efforts to adapt to and mitigate climate change.

- To change and improve EU policy-making so it gives a stronger voice to cities and regions in order to be more effective in implementing the European Green Deal and ensure delivery of EU climate change targets.

Among other components, the initiative comprises an interactive map of best practices that displays how cities and regions are delivering on the priorities of the Green Deal and contributing to a green recovery to reach a more sustainable, inclusive and resilient society.

For more information

Green Deal Going Local website: *https://cor.europa.eu/en/engage/Pages/green-deal.aspx*

Green Deal Going Local best practices: *https://cor.europa.eu/EN/regions/Pages/eir-map.aspx?view=stories&type=greendeal*

European Committee of the Regions (CoR), Gløersen, E., Gorny, H., Mäder Furtado, M., et al., *Implementing the European Green Deal: handbook for local and regional governments,* European Committee of the Regions, 2022b. Available at: *https://data.europa.eu/doi/10.2863/343634*

Additional resource

Global challenges should be seen as local challenges. In order to simultaneously meet local development objectives and the EU Green Deal's long-term goals, a vision is needed that is able to translate those global goals into meaningful local action. This will help develop ownership and commitment to them. **Ownership for sustainability puts communities in control of development interventions** and creates the preconditions for impactful coordination with other sectoral investments (see Chapter 4, Cross Sectoral Integration).

The deep change required by the transition may significantly impact the local labour market structure. Especially in contexts that cannot offer the same variety of opportunities as cities and urban regions, these changes can imply major socio-economic challenges.

The transition must be planned with the support and guidance of **people and actors that are more likely to be affected by the change,** adjusting climate resilience and adaptation visions to context-specific characteristics and social inertia; special attention should be given those communities that stand to lose out from the green transition.

Be careful!

EIT CLIMATE-KIC REBOOST – A BOOST FOR RURAL LIGNITE REGIONS (2020–2022)

The EIT Climate-KIC project REBOOST supports stakeholders in three European lignite regions (Lusatia in Germany, Konin in Poland and Gorj in Romania) in the transition from the current high economic dependence on lignite to a low-carbon future.

It uses strategic simulation techniques to involve and empower local stakeholders in the design and exploration of alternative future pathways by means of an interactive virtual environment.

The REBOOST Simulation is a facilitator-led multiplayer game that allows participants (10-30) to test solutions towards a just transition and a revitalisation of a fictional region based on the case studies researched in the project. The simulation targets two types of users – facilitators who are willing to use the game to bring the related topics to wider audiences, and players who will engage in the knowledge co-production through participation.

The results of the simulations are shared using an online platform that favours mutual learning and innovation diffusion across regions.

Building on the outcomes, promising follow-up actions are implemented with the potential to feed into a Deep Demonstration programme for just transformations.

The Climate-KIC Deep Demonstration programme focuses on system innovation and offers tools and methods to develop a balanced portfolio of interventions – across education, technological innovation, citizen engagement, policy, finance and other relevant levers of change.

For more information

REBOOST project: *https://www.climate-kic.org/news/lignite-regions-just-transition*

EIT Climate-KIC Deep Demonstration programme: *https://www.climate-kic.org/programmes/deep-demonstrations*

Gathering knowledge for change

In rural areas, green transition supports **an emerging trend that increasingly draws upon scientific knowledge in the valorisation of a widening spectrum of endogenous resources** (Rosa Pires et al., 2014). Sustainable food production, bioeconomy, renewable energy, manufacturing of natural fibres like cotton, wood or cellulose, ecosystem services, environmental protection, hydrologic risk prevention or sustainable management of natural resources – are all examples of activities through which local communities can more easily connect with knowledge and technology actors (universities, technological centres, digital providers, companies, etc.) as well as consumers.

Researchers can play a decisive role not only in providing new information and relevant knowledge but also in providing access to new perspectives and policy approaches, as well as networks and experiences.

However, in local development projects it is not enough to be able to understand and explain a specific reality. What is expected is to actually change reality. For a researcher, this implies going beyond standard research design methods to incorporate essential features of policy delivery such as resource mobilisation, decision making and project management (namely, who is going to do what, when and with what type of support and motivation) and the integration of non-scientific types of knowledge.

The French village of Cozzano is an example of how a local strategy for sustainable development and resource management can be reframed to enter the green and just transition transformation pathway. This small municipality has succeeded in **developing a collective intelligence strategy around the green economy** by using the natural resources of the village, involving the inhabitants and various local stakeholders and engaging with research organisations and energy and digital players.

Be careful!

Learning from practice

SMART PAESI – SMART VILLAGE COZZANO 2017–2020 (FRANCE)

Cozzano is a village of 270 inhabitants located in the southern mountainous part of Corse; it faces the risk of desertification. To address the severe depopulation, Cozzano has developed a strategy for new services and infrastructures integrating sustainable development. The goal is to become a positive-energy village able to produce twice the amount of (sustainable) energy it consumes. Cozzano was the first Corsican municipality to be equipped with a biomass heating plant, inaugurated in 2015. It produces hot water that is used to heat 1 200 m² of buildings in the village, including the town hall, kindergarten, school and post office.

In 2016, the initiative took a new direction thanks to a partnership with the local University and the kick-off of the Smart Paesi project (2017–2020), transforming the village of Cozzano into a real living lab. The project is the result of an ERDF call for projects on digital technology from the Corsican regional authority.

New technologies (a micro-hydroelectric power plant, wireless sensors for collecting environmental data, connected devices, etc.) are used to bring the village into the digital era and accelerate the transition of Cozzano towards climate and energy resilience.

To make the data accessible to all, researchers have developed a simple data visualisation tool and a simulation tool to raise awareness on energy savings. Education activities in the local primary school feed digital and environmental awareness-raising and an ICT innovation centre (C.I.N.T.U.) has been set up in collaboration with the University of Corsica.

The main success factors in Cozzano (EC, 2020) are:
- the development of an integrated development strategy with well-defined objectives and projects that are easy to understand and become engaged with;
- the involvement of multiple partners both from the local community and from outside the community (university and companies);
- the smooth cooperation between policy-makers and researchers, built on a collaborative partnership approach;
- the building of trust and involvement of the local population through raising awareness and sharing information with all actors.

Procedures supporting the green transition

To ensure consistency between territorial development strategies and overarching agendas, **managing authorities can introduce reward selection criteria** for proposed plans or projects based on how much they are aligned with these agendas, additionally to more common criteria. Metrics is a key dimension (see Chapter 6, Monitoring); there are efforts to define assessment criteria for circular economy projects at EU level, e.g. the assessment table developed by the H2020 project SCREEN and based on the collaboration with 17 EU regions in 2018.[37]

Another feasible option for large territorial strategies with significant investment priorities related to the green transition is the establishment of environmental-oriented technical committees at strategy level. Alternatively, for local development strategies with a small budget, staffing the team responsible for the selection of projects with relevant expertise in the field (or even relying on external professionals) could work effectively while limiting management costs.

CHALLENGE 4: How to foster coordination between overlapping strategies

Regulations allow for different territorial development strategies to coexist in the same territory. In best case scenarios, the different strategies can develop synergies and mutually reinforce each other. However, synergies between strategies might be underexploited. In worst case scenarios, strategies might thwart each other's impacts.

Learning from data

Evidence from 2014–2020 shows that the same territories can be targeted by more than one territorial or local development strategy, including both CLLD and ITI strategies. This is likely (though not exclusively) to happen in areas belonging to 'less developed' type of regions, where funding availability is bigger. Moreover, when ITI strategies address regions or larger functional areas, it is often the case that they overlap with both CLLD (which has regulatory limitations in terms of population covered) and SUD strategies.

There are also countries where municipalities cannot be part of more than one strategy. However, when this rule exists, it usually applies to strategies under the same

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37   *http://www.screen-lab.eu/index2.html*

territorial delivery mechanism (TDM). For instance, in Slovenia non-urban CLLD strategies do not overlap between each other but do overlap with SUD strategies.

The overlapping of strategies can be driven by **different managing authorities or different rules for the management of EU funds,** leading to strategies likely to work in parallel. Overlapping ITI and CLLD strategies can also be explained by existing LEADER Local Action Groups (LAGs) already in place when programming new strategies supported by the EU cohesion policy.

Territorial or local strategies can also affect each other when they address completely different territories. Given the high interdependency between places, what happens in one place can have major impacts on the developments in another place. Such interdependencies are clearly visible between urban areas and their rural surroundings, or between places along rivers where the river management in one place affects places downstream the river.

In all these cases, to make best use of scarce public resources (i.e. administrative, human and financial) and to maximise the effectiveness of territorial and local development strategies, coordination is needed.

Depending on the geographical, institutional and governance context, **coordination can take different forms.** It can range from a clear division of labour or demarcation concerning topics or geographies, with informal coordination in place, to deep alignment and integration of objectives, implementation measures or governance processes. In both cases, **demarcation criteria and cooperation arrangements should work hand in hand to ensure coordination** (see Chapter 5, Funding and Finance).

A first move to treat overlapping strategies is to differentiate them by:

- **Spatial demarcation.** Strategies can be used to target more deprived areas or areas with special needs, usually by means of the CLLD tool. This approach has been followed to design a number of CLLD strategies within the ITI strategy for Cornwall and the Isles of Scilly. The specific features of CLLD strategies were clear since the design phase, and this has served coordination in implementing the larger ITI strategy (Van der Zwet et al., 2017).
- **Thematic demarcation.** Another possible solution is to differentiate strategies by theme and type of eligible intervention. For example, in Lithuania ESF-funded CLLD at local level has been considered a complementary instrument for the ITI strategies developed at regional level (county) and it has been proposed for addressing the social dimension of the overall regional ITI strategy.

However, it is important to underline that **demarcation alone does not ensure complementarity.** At the same time, strategies influence each other during implementation. Therefore, a second move is that of **ensuring the coordination of investments by promoting cooperation arrangements,** and even more when selecting projects within each strategy (see Chapter 4, Cross-Sectoral Integration). There are inspiring examples that show how to reinforce complementarities and synergies for achieving coherent objectives.

In Bretagne (France), LEADER/CLLD is used in combination with ITI strategies. Good coordination is possible thanks to the role played by the **single programming committee** (Comité Unique de Programmation, CUP) in each ITI area, which is responsible for mobilising stakeholders along the strategic process and for the

Be careful!

selection of projects, ensuring de facto coordination of strategies under different EU rules and procedures (for more information on this example, see Chapter 2, Territorial Focus).

What needs to be taken into consideration here is that although the suggested solutions can be very effective, they can cause delays in implementation. Although the majority of normative requirements are centrally managed, the multiple time schedules and requirements can be weigh down local authorities, especially for smaller municipalities with less administrative capacity.

One possible solution to promote the integration of CLLD local development strategies in larger strategic frameworks is to provide super-local actors with a leading role in the LAG's partnership. For instance, the Regional Development Agency of the Ljubljana Urban Region (RRA LUR) is responsible for the management of a CLLD strategy. This can also help better combination of CLLD investments with actions supported by the Ljubljana Urban Region (LUR) as well as the SUD strategy in place (for more information on this example, see Chapter 2, Territorial Focus).

In Italy, a strategic combination of SNAI Inner Areas strategies and CLLD strategies can be observed (Servillo, 2019). In most of the cases, SNAI areas are portions of CLLD initiatives, usually funded by EAFRD. **If properly orchestrated, such overlaps can have a positive outcome from a strategic perspective,** because SNAI strategies benefit a smaller area with an integrated approach, and the latter apply to wider areas with a simpler set of supported initiatives.

ITI STRATEGY 'RESILIENT MADONIE: LABORATORY OF THE FUTURE' AND CLLD STRATEGY 'RESILIENT RURAL COMMUNITIES' (ITALY)

The territory of Madonie, a rural and mountainous area in Sicily, is addressed by two complementary strategies:

- SNAI Inner Area ITI strategy 'Resilient Madonie: Laboratory of the future' covers 21 municipalities and is funded by ERDF, ESF and EAFRD.
- The CLLD strategy 'Resilient Rural Communities' is the reference development plan for a territorial area extended to 34 municipalities, with funding from EAFRD and ERDF.

Interventions in the Madonie area are characterised by a strong strategic orientation drawing on extended experience with integrated territorial development methods, including the LEADER approach.

More specifically, the SNAI strategy process promoted the creation of a new larger union of municipalities that replaced six existing smaller unions, involving all 21 municipalities. The new governance setting allowed for fostering inter-municipal cooperation, overcoming the fragmentation of the decision-making process and gaining visibility towards the regional managing authority. As a tangible result of this, the local school system has been reorganised at the new territorial scale, gaining a central role in the local development process.

Complementarities between the ITI and CLLD strategies were explicitly addressed through a spatial delimitation of the different measures and through a division between the types of interventions. The ITI focused on access to services and soft measures, including energy efficiency, school and education and welfare for the

elderly. The CLLD focused on the upgrade of infrastructure, entrepreneurship and employment for local development.

Coordination tasks are managed by the newly created inter-municipal association with the support of the local development agency and involving the LAG 'Resilient Rural Communities'.

In addition, cooperation dynamics allowed the launch of two R&I projects that participate in the European Innovation Partnership for Agricultural productivity and Sustainability (EIP-AGRI):

- The CIRCE project, promoted by the GAL with EAFRD funding, defines a genetic certification of ancient Sicilian grains. The project cooperation between research institutions and farmers will benefit all players of the local food value chain (e.g. pasta factories, bakers, storage centres and mills and communication companies).

- The DEMO FARM project, funded by ERDF as part of the ITI strategy and developed in cooperation with the LAG, works on the valorisation of local meat production.

For more information

STRAT-Board strategy Fact Sheets:

- CLLD strategy 'Rural resilient communities': *https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=IT-CLLD-009&fullscreen=yes*

- Resilient Madonie: laboratory of the future: *https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=IT-103&fullscreen=yes*

Spaces and procedures for transparent policy dialogue are important when the option of overlapping strategies is explicitly taken by managing authorities since the beginning, but these are even more important when strategies emerge through the negotiation between managing authorities and local actors during the selection of strategies. This is another lesson to be learnt from the two overlapping strategies in Madonie (Italy).

RECOMMENDATIONS

- Apply a pragmatic approach to strategy-making.
  - ▶ Take local and territorial development needs and emerging demands as a starting point for discussing the focus of a strategy, and select and prioritise important development issues and problems.
  - ▶ Make the strategic development ideas and principles visible, outlining realistic decisions and commitments for implementation.
  - ▶ Be pragmatic and realistic, understand strategies as living documents that evolve and change over time.
- Invest in building strategic capacity.
  - ▶ Keep informed about opportunities for capacity building and peer-to-peer learning for managing authorities and local bodies on how to support

the strategic dimension of territorial and local strategies, including those offered at EU level like the TAIEX-REGIO PEER2PEER tool.

▶ Be inspired by good-practice examples, which are offered in particular at EU level, and the range of options that could suit different institutional contexts, objectives and budget allocations.

▶ Make use of technical assistance, targeting both local strategy owners and managing authorities.

▶ Managing authorities can offer capacity building for local and regional authorities working on territorial and local strategies.

▶ Managing authorities or national authorities can offer peer-to-peer learning initiatives for local and regional authorities engaged in territorial and local strategies.

- Test policy innovations since traditional approaches struggle with today's challenges and in delivering impact.

  ▶ Follow a mission-oriented approach when defining the focus and objectives of a strategy.

  ▶ Allow for diverse visions of desirable futures and stimulate proactive thinking by means of spatial imaginary.

  ▶ Explore the possibilities of co-creation tools and techniques, including living labs, to allow for more experimentation and find new approaches to the full valorisation of development potentials.

  ▶ Provide a learning environment and testing-ground for developing and verifying different strategic options. Encourage new ideas and experiments; allow them to fail as long as there are mechanisms to learn from the failure.

- Use the EU Green Deal as a roadmap for change.

  ▶ Take into account higher level policy objectives and see whether it is possible to demonstrate how the territorial or local strategy contributes to them.

  ▶ Plan the transition with the support and guidance of players that are more likely to be affected by the change.

  ▶ Make use of external resources and scientific knowledge. Engage with local universities on clear missions for sustainability.

  ▶ Assess how the territorial and local needs addressed by the strategy are linked to larger EU and global policy agendas, in particular related to the green transition. Access to funding can be conditioned by a more effective demonstration of how the territories' proposed plans or projects are aligned with these agendas.

- Foster complementarities and synergies between overlapping strategies.

  ▶ When preparing a new strategy check for territorially overlapping strategies and how they affect the objectives of the new strategy.

  ▶ Combine regulatory requirements for themes, funds and spatial eligibility with collaborative mechanisms so as to ensure coordination between strategies.

  ▶ Promote coordination between overlapping strategies along the design and implementation of a strategy, especially when selecting projects within each strategy.

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