

## Chapter 3

## GOVERNANCE

## Contributors

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**EU integrated territorial development strategies are implemented in a complex setting of multi-level governance.** General goals and procedural rules are set at the EU level. National regional and local governments decide on how to meet these general goals. They establish specific goals that reflect their needs and potentials, provided they are consistent with the main objectives and policy architecture. They design policy interventions crafted according to the specific territorial context, together with relevant actors. Throughout policy implementation, national, regional and local authorities are expected to assess and revise goals, performance measures and decision-making procedures on the basis of emerging evidence. In addition, they must report regularly on their performance to the EU authorities and to their constituencies.<sup>40</sup>

**In this context, two main bodies operating at a different spatial scale are particularly important.**

- **The managing authorities of the Operational Programmes of EU Funds.** These authorities function at national or regional level and are responsible for the design and operationalisation of the policy framework within which the territorial strategies are designed and implemented. They are usually public authority bodies.
- **The body (or bodies) responsible for the design and implementation of the territorial strategy.** Depending on the type of territorial implementation mechanism, the body responsible for the strategy may vary. In the case of ITI strategies this role is usually played by a regional or a local authority, an association of local authorities or a dedicated body; in a CLLD, it is usually played by a local partnership, the Local Action Group (LAG), involving public and private actors.<sup>41</sup>

Other public entities, private organisations, associations and citizens are expected to be part of the governance arrangements. At a minimum, they should be consulted at the strategy design stage, but successful implementation of the strategy may require a stronger involvement of such actors going well beyond consultation and into participation and co-decision.

The set-up of governance structures and processes for EU integrated territorial development strategies in non-urban areas can be particularly challenging.

40 This reflection is based on Sabel's and Zeitlin's (2008) work on experimental governance in the EU policy context.

41 Regulation (EU), 2021/1060, articles 32-33.

As discussed in Chapter 2, Territorial Focus, **integrated territorial development strategies normally include several small municipalities and cross administrative boundaries.** They cover functional areas connected through a variety of linkages (commuting and labour market patterns, access to services, etc.) and/or areas with specific geographical characteristics, cultural identities, etc.

**There is a clear added value of EU integrated territorial development strategies at the level of functional areas.**<sup>42</sup> For instance, in peripheral, low-density and sparsely populated areas, effective collaboration between municipalities is particularly needed for the provision of essential services such as education and health services (EC, 2021b; OECD, 2021). Soft territorial cooperation arrangements can bring a number of potential benefits. Organisational flexibility can increase ownership and improve implementation, and membership variety in territorial development strategies makes it possible to involve different levels of government and public and private stakeholders on equal footing (ESPON, 2017).

However, **territorial cooperation comes with challenges.** Difficulties may emerge in identifying the territorial and thematic scope of strategies, as well as establishing sustainable coordination mechanisms (Van der Zwet et al., 2017). The involvement of different local and sub-regional authorities tend to increase coordination costs. Finally, in areas with low population density and extensive territorial coverage it can be difficult to bring actors together.

Furthermore, **non-urban areas are a key target of several distinct policies at EU level.** They are explicitly addressed by the rural development policy through the European Agricultural Fund for Rural Development (EAFRD) and by the EU cohesion policy. In coastal or insular areas, the European Maritime Policy is also relevant.

The boundaries between these policies are often fuzzy. They rely on similar implementation structures and mechanisms (e.g. national or regional managing authorities) and some of their thematic priorities can overlap. Yet, responsibilities are typically separate at EU, national and regional levels and the policies are implemented through parallel governance and delivery structures (Kah, Georgieva and Fonseca, 2020).

Against this background, this building block chapter focuses on the key aspects of governance, providing examples and recommendations.

The effective governance of EU integrated territorial development strategies in non-urban areas requires the capacity to coordinate within and across different levels of government, public administrations and agencies, as well as the capacity to engage with the private sector, other public entities, NGOs and citizen groups in the concerned territory. Sound governance arrangements imply that organisations responsible for the management of the strategies are empowered with political support along with organisational and analytical capacities to perform policy functions and operate closely to the local level. Channels for negotiation and collaboration with private and public actors need to be in place, together with coordination mechanisms across different spatial scales and between managing authorities, different ministries/departments and local authorities. Another key ingredient for effective governance is the availability of adequate skills and resources, in both public authorities and relevant stakeholders, to effectively carry out strategy formulation, implementation and monitoring.

42 Please refer to the Chapter 2, Territorial Focus (Challenge 1) for an analysis of integrated territorial strategies implemented across municipal borders during the 2014–20 programming period.

This chapter addresses the following challenges:

- *How to identify suitable governance structures.*
- *How to ensure coordination between actors at different governance levels.*
- *How to engage relevant stakeholders and citizens throughout the policy process.*
- *How to build capacity at local, regional and national levels.*

## CHALLENGE 1: How to identify suitable governance structures

Putting in place effective governance structures requires decisions on which bodies are responsible for the implementation of the territorial strategies at Operational Programme and strategy level and how responsibilities are shared between these two levels.

### Implementing bodies

At Operational Programme level, territorial implementation mechanisms instruments are usually handled by the same government bodies that are responsible for other instruments of the Programme. At the strategy level, instead, a multiplicity of actors and administrative units is normally involved. Therefore, to ensure effective coordination mechanisms for strategy design and implementation, at the local level, a choice must be made between: using or creating a dedicated organisational structure, or selecting one of the partners to play the lead role.

Territorial strategies in non-urban areas tend to include several municipalities that are often small and/or have very limited financial and human resources to provide public services and implement policies. The situation varies depending on the areas of responsibility that municipalities have, which differ widely between countries, but also depending on municipal finances, administrative capacities and institutional arrangements (some Member States are more centralised than others) or simply on the territorial size.

These limitations can be overcome by cooperation and, in fact, several European countries have a long tradition of different inter-municipal cooperation arrangements (CoE et al., 2010). In some territories, inter-municipal agencies have been created to integrate common strategic municipal functions under a single body (e.g. Business Joensuu Ltd. in North Karelia) (OECD, 2020a). Joint management of municipal functions and services can even be a precondition for accessing funding for territorial development strategies, as in the case of the Italian National Strategy for Inner Areas (SNAI).

**Finding a satisfactory balance between collective action (inter-municipal cooperation) and the autonomy of single municipalities represents a crucial condition for effective implementation of territorial development strategies.**



*Be careful!*

Territorial instruments such as ITI and CLLD strategies have contributed to strengthening cooperation between municipalities in many territories during the 2014–2020 programming period.<sup>43</sup>

**In the case of ITI strategies, two main solutions have been implemented: the use of a dedicated organisational structure** (for more information on this example, see Chapter 5, Funding and Finance) **and the set-up of procedures in which one local authority takes the lead in the implementation process.** The latter is more prevalent in a functional urban area, where major cities are more likely to possess the administrative capacity to take on the central role in the implementation of the strategy. In rural contexts, groups of smaller local authorities working together are more likely to benefit from a dedicated body tasked with managing the implementation of the territorial strategy, with a common office, adequate staff and resources.

This distinction can be exemplified by the case of Poland, where ITI strategies make use of two different types of cooperation: agreement and association (although the Polish strategies are urban, their main principles can apply to non-urban contexts: see Chapter 2, Territorial Focus). In the first type of cooperation, partnering municipalities do not form a separate entity, but cooperate voluntarily on the basis of a signed agreement. The main joint tasks are delegated to a specific member of the association, usually the largest municipality. In the second model, municipalities set up a new body, an association of which they become members of. This association usually has a more complex structure, with an executive board, president, secretariat, advisory board, etc., as well as more detailed collaboration rules.

The choice of model has implications for the selection of the institution that assumes the role of intermediate body. In the case of agreements, the lead municipality becomes the intermediate body, while in the case of associations, this role is taken on by the association's secretariat.

The advantage of using associations is that it ensures greater independence and reduces bias towards any dominant municipality. It also avoids the concentration of an additional administrative burden to just one municipality. Yet, a disadvantage is that the creation of an additional actor, such as an association, can result in unnecessary supplementary administrative burdens and costs. While the use of an agreement might allow the lead organisation to cover the additional tasks through its existing administrative structures, this option is more difficult in rural contexts, where individual municipal administrations are likely to be smaller and lacking the capacity to take on the additional burden of coordinating an ITI strategy.

**For CLLD, the formal creation of a LAG to develop and implement the territorial strategy is compulsory.** The range of actors involved is much wider and includes not only local authorities, but also other bodies from the public, private or NGO sectors. However, the situation is similar to that of ITI insofar as the LAG does not necessarily have to be a new legally constituted structure: partners in the LAG can select one partner within the group as a lead partner in administrative and financial matters. In either case, LAGs need to represent the interests of the community and be responsible for both design and implementation of their strategy.<sup>44</sup> Importantly, up to 25 % of the total budget of the local strategy (irrespective

43 Evaluation reports on the implementation of territorial development strategies in different countries and regions can be consulted at: [https://ec.europa.eu/regional\\_policy/en/policy/evaluations/member-states](https://ec.europa.eu/regional_policy/en/policy/evaluations/member-states)

44 Regulation (EU), 2021/1060, articles 32–33.

of the funding source) can be used to cover the costs of LAG management and stimulating the engagement of the local community.

### WORLD BANK (2018) AREAS/SECTORS FOR INTER-JURISDICTIONAL COOPERATION

In the context of the project 'Romania: Catching-Up Regions', the World Bank presents a report on different organisational models for interjurisdictional agreements, with examples from Czechia, Finland, Germany (North Rhine-Westphalia), Italy, Poland, Portugal, Romania, Spain and the United Kingdom (England). Even if the focus is on Sustainable Urban Development strategies, the report also addresses governance arrangements for integrated territorial strategies in non-urban areas. Examples from Romania include a non-urban ITI in the Danube Delta, where an intercommunity development association has been created, bringing together 38 territorial administrative units; there is also an overview of Romanian CLLD models.

The main takeaways from the report are the following.

- The government needs to take a long-term approach on multi-jurisdiction cooperation and incorporate mechanisms and capability for learning and refinement.
- There are various approaches to structuring multi-jurisdiction cooperation, from informal to formal agreements. The decision regarding which modality to adopt should be made taking factors like context, capacity, etc. into account.
- Multijurisdictional cooperation requires clear delineation of roles and responsibilities between various parties.
- Cooperation across jurisdictions requires capacity. Building this capacity is an important condition in the development of robust local administrations. This capacity should also focus on building and improving citizen participation and private sector engagement.

#### For more information

World Bank, *Romania: Catching-Up Regions. Areas/Sectors for Inter-Jurisdictional Cooperation*, Washington, 2018. Available at: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/452231580295162249/romania-catching-up-regions-areas-or-sectors-for-interjurisdictional-cooperation>



Additional  
resource

## Sharing governance responsibilities

**The EU cohesion policy 2021–27 strengthens the role of territorial authorities and actors in strategy design and implementation.** For ITI and other territorial tools, strategies fall under the responsibility of the relevant territorial authorities or bodies. These must provide a description of stakeholder engagement in the design and implementation stages. Finally, strategies require the relevant territorial authorities or bodies selecting or involved in the selection of operations. For CLLD, several tasks, notably linked with the selection of projects (developing criteria and procedures, publication of calls and carrying out the selection) are under the exclusive responsibility of the LAG.<sup>45</sup>

45 Regulation (EU), 2021/1060, Article 33.

Table 1 below sets out the most common arrangements for the governance of territorial and local strategies with regard to the responsibilities of the above mentioned types of actors at the stage of (a) design and planning of the territorial strategies and (b) during their implementation.

**TABLE 1.** Responsibilities of key governance actors.

Type of actor	Stage	Responsibilities under:	
		ITI and other territorial tools	CLLD
Managing Authorities or designated Intermediate Bodies (at national or regional level)	Design & planning	<ul style="list-style-type: none"> <li>- indicate eligible areas and the method of approving the territorial strategies</li> <li>- design the scope of operations supported</li> <li>- assess and approve the local strategies</li> <li>- define the criteria and procedure for the selection of operations</li> </ul>	<ul style="list-style-type: none"> <li>- may indicate which areas are eligible for CLLD</li> <li>- design the rules for the selection of LAGs and strategies</li> <li>- publish calls for LAGs and their strategies</li> <li>- assess the local strategies and select LAGs</li> </ul>
	Implementation	<ul style="list-style-type: none"> <li>- select operations (or approves those selected by territorial authorities)</li> <li>- can carry out monitoring and evaluation at strategy or programme level</li> </ul>	<ul style="list-style-type: none"> <li>- approve support to operations selected by the LAG</li> <li>- can carry out monitoring and evaluation at programme level</li> </ul>
Relevant territorial authority or LAG (CLLD)	Design & planning	<ul style="list-style-type: none"> <li>- develop the strategy for its territory (existing strategic documents can be used)</li> <li>- cooperate with the MA in defining the scope of operations to be supported</li> </ul>	<ul style="list-style-type: none"> <li>- define the area and identifies its challenges</li> <li>- develop the local strategy</li> <li>- define criteria and procedures for project selection</li> </ul>
	Implementation	<ul style="list-style-type: none"> <li>- participate at project selection decisions</li> <li>- inform and encourage potential project promoters</li> <li>- can carry out own operations (?)</li> <li>- can carry out monitoring and evaluation at strategy level</li> </ul>	<ul style="list-style-type: none"> <li>- encourage and support potential project promoters</li> <li>- launch the calls and select operations</li> <li>- can carry out own operations</li> <li>- carry out monitoring and evaluation at strategy level</li> </ul>

Where the territorial authority or LAG carries out additional tasks that normally fall under the responsibility of the managing authority, the authority becomes a formal Intermediate Body in the governance model of the programme. What characteristics these territorial authorities or bodies should have is left open.



*Learning from practice*

### **LAGS AS INTERMEDIATE BODIES (GREECE)**

In the 2014–2020 period the Local Action Groups under the European Maritime and Fisheries Fund (EMFF) have been designated Intermediate Bodies (IBs). Thus, they not only select projects but also issue their final approval. To this end, the management and control system of the Greek EMFF programme was adapted and fisheries LAGs had to develop appropriate internal procedures and undergo training on using the national IT system. At a later stage, the function of making payments to beneficiaries was also delegated to the LAGs.

In spite of the initial delays, the system seems to be functioning well, showing that local partnerships can effectively play the role of IBs, approve projects and make payments.

#### For more information

Budzich-Tabor, U., van de Walle, G., Veronesi Burch, M., *Delivering CLLD effectively A guide for EMFF Managing Authorities*, Guide No 19, FARNET, Brussels, 2019. Available at: [https://webgate.ec.europa.eu/fpfis/cms/farnet2/sites/default/files/publication/en\\_farnetguide\\_19\\_fin.pdf](https://webgate.ec.europa.eu/fpfis/cms/farnet2/sites/default/files/publication/en_farnetguide_19_fin.pdf)

The Italian National Strategy for Inner Areas (SNAI) is a good example of a clear division of responsibilities between different governance levels.

### ITALIAN NATIONAL STRATEGY FOR INNER AREAS (ITALY)

The Italian National Strategy for Inner Areas (SNAI) was launched in 2012 with the main objective of improving demographic trends and transforming less-favoured areas into places of opportunity.

To achieve this goal, the strategy builds on an integrated approach, characterised by two main interconnected lines of action.

- The first one aims at improving the quantity and quality of essential services (education, health and mobility). This line is funded with resources managed by the different competent national ministries.
- The second strand of interventions promotes local development initiatives, which are funded by a combination of European Funds managed by the Italian regions.

The strategy has a budget of nearly €700 million, of which 70% are European Structural and Investment Funds (ESIFs) (mainly the European Regional Development Fund, ERDF, and the European Agriculture Fund for Rural Development, EAFRD), 21% national funding and the remaining part other public and private funding. The resources are targeted at 72 pilot areas distributed across 20 Italian regions that have been selected according to their distance to services, demographic trends, but also by taking into account their capacity to implement projects. The 72 project areas cover 16.7% of the Italian territory and 3% of Italy's population. On average, they involve 15 municipalities and 29 000 residents.

The Framework Agreement contains the implementation mechanisms for local strategies, which contains the list of measures and the associated resources, as well as the responsibilities of each (national, regional and local) public administration involved in strategy implementation and monitoring.

In the multi-level governance setting of the SNAI, each level is responsible for some specific tasks.

- National level: fostering and monitoring of the SNAI; provision of analytical and methodological support for the selection of the areas and the strategy design process at local level through the Inner Areas Technical Committee<sup>46</sup>;



Learning from practice

<sup>46</sup> The Inner Areas Technical Committee brought together staff from different ministries (together with regional administrations, the associations of Italian municipalities and a number of other entities) and acted as a centre of expertise and an external impartial actor working with local communities to promote policy innovation and overcome resistance to change.

management of the knowledge exchange platform ‘Federation of Projects’.

- Regional level: selection of intervention areas; provision of funding and implementation of measures from regional Operational Programmes.
- Municipal level: design and implementation of the strategy at territorial level; management of associated services.

Within the SNAI, the different municipalities composing a pilot area are required to cooperate. In particular, the joint management of municipal functions and services, which are relevant to the achievement of the objectives of the local strategy, is a condition for accessing funding (Barca, Casavola and Lucatelli, 2014).

Below, some preliminary insights on this policy initiative.

- The ‘inner areas’ method has strengthened networks of actors and co-operation behaviours. It has also contributed to building strategic capacities in local communities, while promoting the reorganisation of municipal functions and services and the experimentation of new modes of interaction of public authorities across different spatial scales. It has brought the national ministries closer to local authorities to devise practicable solutions for the provision of essential services (Lucatelli and Monaco 2018).
- Delays in the implementation of the local strategies have been the result the newness of the method introduced by the policy scheme (the involvement of different government levels and actors, co-decision and co-design processes, etc.), as well as the lack of tradition and capacities of territories in debating and planning their own development paths (Lucatelli and Storti, 2019). Efforts to reduce delays in the policy process and to facilitate the integration of different funds will be needed in the future.
- Finally, weak administrative capacities can hamper the effective design and implementation of public intervention in the inner areas (Lucatelli and Monaco, 2018). Proposals have been made to strengthen the technical structures of the associated municipalities. Future policy developments are expected to include administrative capacity building measures.

#### For more information

SNAI website: [https://www.agenziacoesione.gov.it/news\\_istituzionali/aree-interne](https://www.agenziacoesione.gov.it/news_istituzionali/aree-interne)



*Be careful!*

**Governance arrangements should be tailored to the available capacities to perform policy functions in a given territory.** Overly ambitious and complicated governance structures and procedures for ITI and CLLD should be avoided, as these risk delaying implementation. In the 2014–2020 period, the implementation of integrated territorial development strategies experienced considerable delays, irrespective of the applied territorial delivery mechanism. These delays can partly be explained by the novelty of the approach, in some countries, and the complexity of challenges, but in some Member States the centralised governance culture resulted in higher levels of government being hesitant to empower municipalities to design and implement their own strategies. In other cases, Managing Authorities set up governance structures in a top-down manner. Furthermore, programme authorities often developed complex rules and procedures going well beyond what is required by EU legislation (the so-called ‘gold-plating’). In the future, implemen-



tation models should be simplified and streamlined and capacities of local actors and beneficiaries enhanced.<sup>47</sup>

**The introduction of new implementation mechanisms should be carefully assessed on a case-by-case basis.** In territories where existing instruments and governance arrangements work, the introduction of new implementation mechanisms may not provide any added value but rather increase coordination costs. For example, the existence of well-established domestic implementation mechanisms explains why CLLD and ITI have been used only to a very limited extent in Germany. The abandonment of the ITI Western Coast (in Schleswig-Holstein) proves that, under certain circumstances, the use of established domestic territorial tools can be more suitable than the introduction of new tools. The ITI Western Coast did not bring any added value compared with already established territorial cooperation structures, such as the Hamburg Metropolitan Region or the ETC programme with neighbouring Denmark (GEFRA et al., 2017). For the 2021–2027 period, the option is available for making use of ‘other territorial tools’, precisely to benefit from existing governance structures.

## CHALLENGE 2: How to ensure coordination between actors at different governance levels

The governance architecture of EU integrated territorial development strategies strongly relies on the functioning of vertical (across different levels) and horizontal (among different bodies at the same level) coordination mechanisms to successfully design and implement public interventions.

**Vertical coordination takes place between governance bodies and actors placed at different spatial scales.** It is needed to: a) bring to the fore the different agendas and interests of all levels of government and relevant stakeholders, making sure that local needs are included in national and regional policy schemes for territorial strategies; b) ensure effective implementation and coherence across different territorial levels; and c) avoid duplications, promote synergies and reduce the administrative burden for beneficiaries. Vertical coordination is needed to set up a coherent framework with adequate mechanisms that can address different territorial needs and challenges and facilitate cross-sectoral interventions for sound integrated territorial development strategies.

In countries where operational programmes are managed at different territorial levels (e.g. ERDF operational programmes managed at regional level and a single Rural Development Programme at national level), effective vertical coordination is a key condition for setting up a clear policy framework for territorial integrated strategies.

**Horizontal coordination mechanisms are expected to ensure coherence between the different policy areas, instruments and implementing authorities**

<sup>47</sup> Evaluation reports on the implementation of territorial development strategies in different countries and regions can be consulted at: [https://ec.europa.eu/regional\\_policy/en/policy/evaluations/member-states](https://ec.europa.eu/regional_policy/en/policy/evaluations/member-states); [https://ec.europa.eu/regional\\_policy/en/information/publications/reports/2017/strategic-report-2017-on-the-implementation-of-european-structural-and-investment-funds](https://ec.europa.eu/regional_policy/en/information/publications/reports/2017/strategic-report-2017-on-the-implementation-of-european-structural-and-investment-funds)

(ministries, Managing Authorities, departments, agencies, etc.). Effective horizontal coordination is essential to support integrated cross-sectoral policy interventions and the combination of different funding sources.

At the local level, horizontal coordination can help build permanent cooperation models to address local governments' challenges, including lack of staff capacity, fragmented access to information on business needs and labour skills and difficulties in providing essential services. Such co-operation can be done through institutionalised inter-municipal bodies (at local or regional level) or more flexible inter-municipal agreements (OECD, 2020a).<sup>48</sup>

The territorial implementation mechanisms (ITI and CLLD) introduced in the 2014–2020 period represented an opportunity and served as frameworks **for fostering bottom-up approaches in line with the subsidiarity principle, and to better coordinate the activities of local, regional and national authorities.**

Despite the widespread improvements in governance arrangements, however, vertical and horizontal coordination failures have impacted the territorial strategy implementation in several EU countries and regions. In several cases the coordination mechanisms between the national and regional/local levels were not fully operational. In some circumstances, local needs have been hardly included in national and regional policy schemes. Lack of clarity and frequent changes in rules along with cumbersome delivery mechanisms caused delays and only partial implementation of the strategies.<sup>49</sup>

Below, some coordination mechanisms at policy and strategy level are explored in detail through some concrete examples.

**There are a number of different approaches and solutions to coordinating different policies at national or regional levels.** In some cases, this involves setting up inter-service working groups or committees (for example, the federal state of Saxony-Anhalt has established an inter-ministerial Working Group and Monitoring Committee for the ERDF, the European Social Fund (ESF) and the EAFRD for the programming period 2014–2020). Another option is to create dedicated bodies involving a wide range of actors (public, private, social, research, etc.), focusing on a broader policy field like, for example, the Rural Policy Council in Finland.

Finally, the Italian National Strategy for Inner Areas (SNAI) provides a useful example for a framework coordinating EU cohesion and rural development policies along with other national policies (see Challenge 1 of this chapter).

48 Interesting examples of inter-municipal cooperation from Spain, Bulgaria, Finland and other countries are illustrated in the ESPON project ESCAPE (2020), <https://www.espon.eu/escape>

49 Evaluation reports on the implementation of territorial development strategies in different countries and regions can be consulted at: [https://ec.europa.eu/regional\\_policy/en/policy/evaluations/member-states](https://ec.europa.eu/regional_policy/en/policy/evaluations/member-states) and [https://ec.europa.eu/regional\\_policy/en/information/publications/reports/2017/strategic-report-2017-on-the-implementation-of-european-structural-and-investment-funds](https://ec.europa.eu/regional_policy/en/information/publications/reports/2017/strategic-report-2017-on-the-implementation-of-european-structural-and-investment-funds) the implementation of european-structural-and-investment-funds. See also ESPON (2020).

## THE NATIONAL RURAL POLICY COUNCIL AND THE NATIONAL RURAL PROGRAMME (FINLAND)

The main objective of the rural policy in Finland is to improve living conditions and job opportunities in the countryside. The rural policy measures are undertaken in cooperation between ministries, regional agencies, municipalities and various NGO's related to the welfare of the rural population, rural businesses and rural development.

These measures are designed by the Rural Policy Council. The Council consists of 34 members, each representing policy areas pertaining to everyday rural life and entrepreneurship. The Rural Policy Council is led by the Minister of Agriculture and Forestry and includes 9 ministries, 2 Regional State Authorities and several umbrella organisations (local and regional authorities, social and healthcare NGOs, advocacy organisations, research centres, etc.).

The Rural Policy Council is responsible for designing and managing the National Rural Policy Programme. The Programme provides strategic guidelines and specific measures. For each measure the actors responsible for its realisation are indicated. The themes and many of the measures require cooperation between actors at various levels of administration and in society.

The Rural Policy Council carries forward the Programme through negotiations, projects and thematic groups and by influencing various processes. Such Programmes have been implemented over three decades contributing to providing a long-term perspective to rural policy. The implementation of the current (2021–27) Programme is based on both national and EU policies.

The main strengths of the rural policy process are: i) the involvement of civil society and academia as providers of local and technical knowledge, reducing a critical knowledge gap that many central governments have in targeting the priorities of rural policy; ii) the ownership of the programme by the different government and non-government actors involved, resulting from a long process of negotiation and aligning the actions of all key stakeholders; iii) clarity in the allocation of roles and responsibilities within the government; and iv) the monitoring and evaluation process on how the proposals/decisions have been put forward (OECD, 2020a).

### For more information

Rural policy council website: <https://www.ruralpolicy.fi>

Organisation for Economic Cooperation and Development (OECD), *Rural Well-being: Geography of Opportunities*, OECD Rural Studies, OECD Publishing, Paris, 2020a.

Available at: <https://doi.org/10.1787/d25cef80-en>



*Learning from practice*

**At strategy level, mechanisms for coordination and coherence are particularly relevant when several territorial development strategies are overlapping** (Kah, 2019). Strategies that might be present in the same territory can either be partially EU-funded (such as Interreg, LEADER LAGs) or be part of domestic policy frameworks. In this respect, the drawing of institutional maps can help identify overlaps of actors and the cooperation agreements already in place in a specific territory. In fact, territorial strategies themselves can be instruments to coordinate among different policies.

An interesting example of governance arrangements at ITI level that include all relevant authorities is the Spanish region of Castilla-La Mancha (for more information on this example, see Chapter 5, Funding and Finance).

**In the case of CLLD, the LAG represents a key institutional space where coordination with a wide range of private and public actors can take place.** However, to effectively play this role, LAGs need strong support from the higher level. The arrangements developed by the Austrian region of Tyrol show how good coordination between policies at the federal state level can help LAGs become genuine one-stop shops offering a wide range of support schemes to local actors.

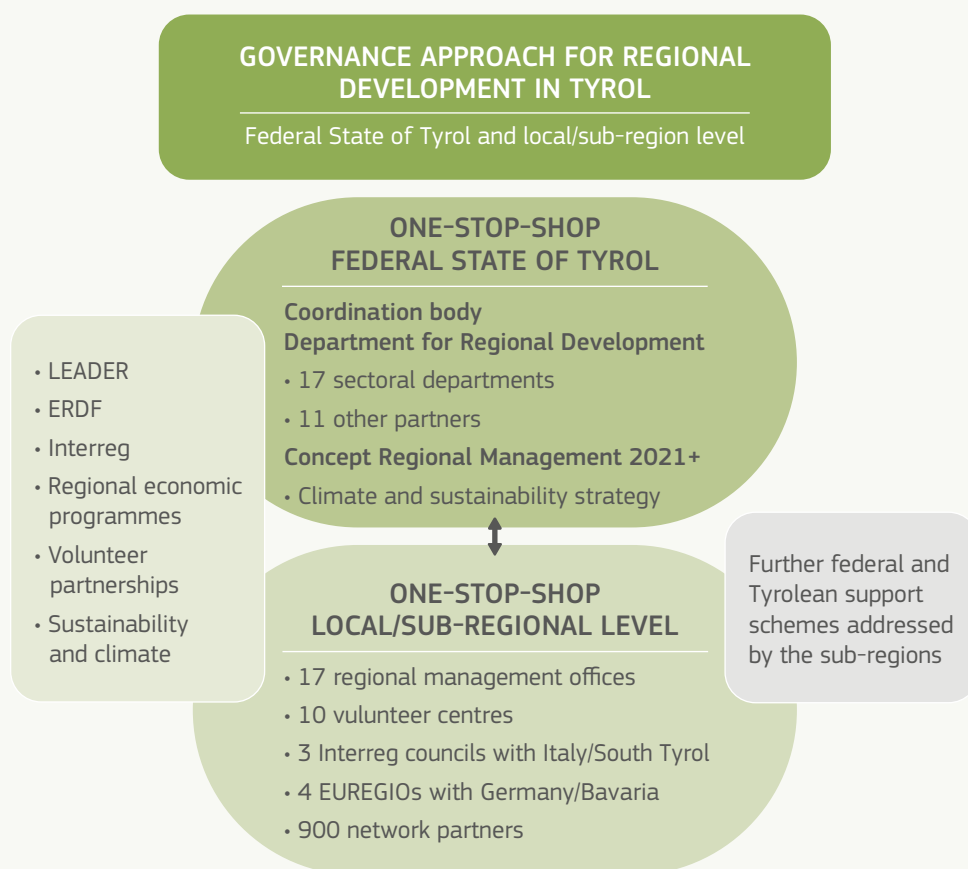


Learning from practice

### CLLD COORDINATION IN TYROL (AUSTRIA)

Tyrol's governance approach is based on the principle of providing one-stop-shops for potential beneficiaries. There are single bodies at both the level of the Federal State and at the level of its 10 sub-regions that coordinate different schemes and provide advice on funding opportunities. In each of the sub-regions there is one coordination body with a management office, which also acts as CLLD LAG. The offices work with different government departments as well as with their local stakeholders, also providing expertise to local authorities. In Austria, only Tyrol channels both EAFRD and ERDF funding through its LAGs, making them one-stop-shops for beneficiaries at the sub-regional level.

**FIGURE 2.** Governance of regional development policy in Tyrol.



**Source:** own elaboration based on information provided by the Government of Tyrol, Department of Regional Development.

The current concept Regional Management 2021+ is the reference framework for Tyrol's sub-regional strategies.

During the implementation of these strategies, the sub-regions cooperate with relevant Tyrol-level actors, such as:

- the Climate, Energy and Circular Economy Platform, which supports and advises the regions on the transformation process;
- the ESF authorities, which intend to develop specific calls for the LAGs (e.g. on work-life balance schemes);
- the Tyrol Tourist Board, whose strategy will be taken up in LAG strategies, such as through a pilot project in 4 tourism regions on sustainable, CO<sub>2</sub>-neutral tourism development (Clean Alpine Region, CLAR); and
- the Tyrol's Department for Business Location, Digitisation and Science (Government of Tyrol, Department for Regional Development), which aims to ensure connectivity of its economic and innovation strategy with LAG strategies.

#### For more information

Regional management Tyrol website: <https://www.rm-tirol.at/en/programs/leader-clld-2014-2020>

### The existence of a strong political and technical leadership represents an important condition for effective coordination.

In addition to LAGs and public sector authorities, there are also other bodies that can support the coordination of territorial strategies. In particular, **regional and local development agencies and other intermediary organisations can play a central role in strengthening the quality of relations in territories** – an essential condition for the success of strategies.

An interesting example of intermediary organisation is represented by the Regional Management Agencies (RMAs) in Austria. These agencies operate at the intermediate (sub-regional) level between the federal state and municipality and play a key role in facilitating the interface between planning, politics, management and regional steering of participatory processes. They can be drivers and mediators of multi-level governance arrangements of their (sub)region, coordinating the diverse needs of metropolitan, peri-urban and rural parts. For example, the RMA of the Metropolitan Area of Styria has supported the development of the area's strategy. The RMA also acts as a contact point, coordinator and enabler of funding for inter-municipal cooperation projects, providing assistance with the project ideas, finding partners and co-ordinating the implementation of the projects. The Regional Manager often acts as an icebreaker of inter-municipal cooperation (Oedl-Wiser et al., 2020).

**Coordination can also be achieved with other instruments.** Contracts can be used as tools for vertical and/or horizontal coordination. They are especially effective in rural areas where small municipalities may be involved in national policy schemes and processes (OECD, 2020a). In Western Pomerania (Poland), 'local government contracts' have been implemented with a reduced administrative burden. Contracts are concluded between the province (Voivodeship) and a group of local authorities with regional authorities acting as facilitators for setting up inter-municipal cooperation (Gløersen, 2021).



*Be careful!*

Contracts can be a useful tool when two territorial instruments, ITI and CLLD, cover the same or partially overlapping area. In the Portuguese Centro Region operational programme, for instance, coordination is ensured via contracts between the managing authority and the municipalities involved in the territorial strategies.

In France, ‘reciprocity contracts’ have been experimented to support the cooperation between urban centres and rural areas. In Italy, the ‘framework agreement’ has been used to clearly identify financial resources and tasks for each level of government in the implementation of the single local development strategies within the National Strategy for Inner Areas (SNAI) policy framework (see Challenge 1 of this chapter).

To conclude, in circumstances where the allocation of responsibilities and policy issues require the collaboration between different levels of government, contracts can be useful tools to deal with these interdependences.

### **CHALLENGE 3: How to engage relevant stakeholders and citizens throughout the policy process**

In a multi-level governance context, special attention needs to be given to the **involvement of local stakeholders to ensure strategic consistency with local needs, challenges and development opportunities, to use local knowledge and to mobilise key actors around strategic goals.**

‘A Europe closer to citizens’ policy objective of the EU cohesion policy stresses that territorial and local development can only take place with the involvement of the inhabitants of the area concerned. This is accompanied by a widespread belief among citizens in rural areas that when the EU invests in their local area, it is the local area or province that should be able to decide how this investment is spent (EC, 2021a).

In its principles for rural development, the OECD advocates community-led development via the inclusive engagement of stakeholders in policy design and implementation.<sup>50</sup> The local population is seen as a valuable resource in the process and participation becomes an opportunity to make constructive use of stakeholder engagement. In such a bottom-up approach to policy-making, local actors are actively involved in defining a development strategy for their area. They can take charge of their area’s future if a collective approach is in place with appropriate delegated decision-making arrangements that avoid any one interest group having a majority that allows it to control decisions.

**A bottom-up approach is an important ingredient to ensure sustainability and local ownership of policies.** Stakeholder engagement in policy-making is expected to enhance government accountability, broaden citizens’ influence on decision-making processes and build civic capacity (OECD, 2020a).

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50 <https://www.oecd.org/regional/oecd-principles-rural-policies.htm>

Participation can be grouped into different types, with existing literature often using hierarchic models. Table 2 illustrates a four-level approach, with the role given to the local population increasing with each level.

**TABLE 2.** Different types of participation<sup>51</sup>.

Level	Communication mode	Public influence	Activities	Examples related to territorial development
Information	One-way	None	Pass on information, e.g. via newsletters, brochures, websites	Inform citizens about ongoing strategy development process
Consultation	Two-way	Limited	Ask and listen to the public via polls, surveys, interviews	Online consultation about draft strategy documents
Collaboration	Dialogue-based	Moderate	Collaborative events such as workshops, joint decision-making, etc.	Involve citizens in workshop to identify strategic priorities
Empowerment	Dialogue-based	High	Delegation of tasks	Participatory budgeting or project selection, co-production of services

**Engagement goes beyond information and consultation procedures.** It refers to the systematic pursuit of co-operation between government organisations, relevant stakeholders and citizens through the use of joint decision-making processes, co-creation and co-production mechanisms, etc. (OECD, 2020a).

Local governments can benefit from a closer relationship with their citizens. Many rural communities have strong social capital, which can be a valuable resource for promoting collective action and development processes (Li, Westlund and Liu, 2019; OECD, 2020a; Sørensen, 2016).

While there is general agreement about the importance of involving the population that will be affected by policies, citizen participation is often seen as a regulatory requirement introducing an additional burden that can complicate and slow down policy implementation. However, enabling local actors to participate in defining strategic priorities and implementing projects can be a way of breaking the self-reinforcing circle in which many disadvantaged areas find themselves. Participation helps building trust, which is necessary to support collective action. It can reduce conflict by building a consensus and facilitate the circulation of ideas and local knowledge and the identification of innovative solutions. Finally, participation increases the ownership of development strategies by local actors, improving their sustainability over time and facilitating their implementation.

**A key precondition for citizen participation is that there is a sufficient number of people that want and can engage.** This might require building the capacities for participation. Engaging the local population can be particularly difficult in some of the most disadvantaged rural areas, those with a low number of inhabitants, low population density and less experience in participation.

Participation also risks leading to the polarisation of different interests, thereby creating conflicts. This can especially be the case in territories where there is no

<sup>51</sup> For similar approaches to categorise types of participation see, for instance, concepts developed by the OECD and the International Association for Public Participation.

established participation culture. On the other hand, in territories with a longer participatory tradition, participation can sometimes revolve around a limited number of so-called ‘professional citizens’ who get involved for the sake of being involved, often outside of their thematic or territorial area of responsibility.

**Participation needs to be actively promoted, otherwise there is a risk of not reaching all relevant groups.** Some interests might be overrepresented, e.g. from particularly active stakeholders representing narrow sectoral interests, while other groups, such as young people, women or the elderly or marginalised groups are not involved as much as they should be.

**EU cohesion policy funding can be used to actively support participation and enhance the capacity** of public authorities and other stakeholders in performing policy functions. In Italy, for example, the EU cohesion policy funding 2014–2020 has been used to support youth engagement in the National Strategy for Inner Areas (*Officina Giovani Aree Interne*).<sup>52</sup>

**More generally, citizen participation takes time** and this has to be taken into account in light of tight implementation timetables for EU cohesion policy and rural development policy. Starting the preparation of territorial integrated strategies early in the programming cycle is therefore essential.

Thus, it is very important to ensure that human resources with relational capacities (professionals, volunteers, local opinion leaders, etc.) are allocated to liaising with relevant local actors and encouraging participation. It may be useful, in some cases, to work with a smaller number of representatives of groups that are particularly difficult to reach, who can play the role of ‘ambassadors’. In other situations, the involvement of external experts can be considered to activate the local population and avoid path dependency. Such experts can come from outside or from neighbouring places with similar challenges.

Stakeholder mapping can help identify all people, organisations and institutions who can play a significant role in strategy design and implementation. A number of stakeholder mapping tools are available, including a step-by-step practical guide for stakeholder mapping developed in the framework of the Danube Transnational Programme<sup>53</sup>. A much simpler mapping table can be found in the FARNET Guide on ‘Area-based Development in EU fisheries areas’<sup>54</sup>.

**Stakeholder engagement must be ensured throughout the entire strategy cycle.**

During the strategy development phase, a number of tools and practices can be used to facilitate participation of a wide range of stakeholders. These can include village meetings, thematic workshops, interviews, surveys and questionnaires, facilitated online discussion forums or social media groups and even hackathons.<sup>55</sup>

Supporting tools such as visualisation and 3-D spatial planning can be particularly useful when facilitating the participation of grassroots actors in the planning processes.

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52 <https://www.officinecoazione.it>

53 [https://www.interreg-danube.eu/uploads/media/approved\\_project\\_public/0001/44/51de32f74aec5465eb6a9d44b845250282a29a0a.pdf](https://www.interreg-danube.eu/uploads/media/approved_project_public/0001/44/51de32f74aec5465eb6a9d44b845250282a29a0a.pdf)

54 [https://webgate.ec.europa.eu/jpifs/cms/farnet/files/documents/FARNET\\_Start-up\\_Guide-1\\_EN.pdf](https://webgate.ec.europa.eu/jpifs/cms/farnet/files/documents/FARNET_Start-up_Guide-1_EN.pdf)

55 For more information on these tools, see FARNET (2020).



## COMCOT – AN INNOVATIVE COMMUNITY PARTICIPATION TOOL

Implemented within the framework of Central Baltic INTERREG IVA, the cooperation project between Finland and Estonia COMCOT aimed to develop community ownership of sustainable tourism development. Within this project, a practical handbook was developed presenting key steps for community participation, methods to be used therein and risks associated with each step. The handbook covers:

**Phase 1:** Activation: bringing people together, collecting ideas and prioritisation;

**Phase 2:** Developing and visualising, networking and developing an action plan;

**Phase 3:** Realisation: capacity building, implementing, delivering and monitoring.

Phase 2 included the use of a portable, immersive and real time 3-dimensional (3D) computer based visualisation program that enabled the community to see the planned ideas from every angle and reflect on their impact on the landscape and environment.

### For more information

Matilainen, A., Evans, R., Lähdesmäki, M., Sudakova, L., An Innovative Tool for Improving the Competitiveness of Community-Based Tourism – a Handbook, European Regional Development Fund. Available at: [https://projects.centralbaltic.eu/images/files/result\\_pdf/COMCOT\\_result1\\_COMCOT\\_Tool\\_ENG.pdf](https://projects.centralbaltic.eu/images/files/result_pdf/COMCOT_result1_COMCOT_Tool_ENG.pdf)



Additional  
resource

The 'REBOOST - A Boost for Rural Lignite Regions' project uses another interesting tool: strategic simulation techniques are used to involve and empower local stakeholders in the design and exploration of alternative future pathways for the transition from the current high economic dependence on lignite to a low-carbon future in three European regions (Lusatia in Germany, Konin in Poland and Gorj in Romania).<sup>56</sup> The example of 'CLLD strategy of LAG Gotsedelchev-Garmen-Hadzhdimovo (Bulgaria)' provides yet another experience of stakeholder engagement – this time, with respect to strategy design and decisions on budget allocation (for more information on this example, see Chapter 1, Strategic Dimension).

During the implementation phase, local actors can also be involved in the decision-making to select projects. In the case of CLLD, this is mandatory – each LAG must have a specific decision-making body (this can be the board, the general assembly or a special dedicated body) that takes key decisions, including the selection of operations. This body must be representative of key interests in the area and must not be dominated by any single interest group.

In the past, some LAGs also experienced some mechanisms to include all the inhabitants of the area in the decision-making process. This is for example the case of the LAG in the district of Scheveningen in The Hague (Netherlands).

<sup>56</sup> For more details on this example, see Chapter 1, Strategic Dimension. The project is supported by the European Institute of Innovation & Technology (EIT) Climate-KIC INNOVATION ECOSYSTEMS – Cross European Ecosystems programme and co-funded by EIT: <https://systemssolutions.org/projects-and-activities/reboost>; <https://wegcenter.uni-graz.at/en/research/research-group-soco/projects/reboost>



Learning from  
practice

### CLLD STRATEGY SCHEVENINGEN (NETHERLANDS)

The district of Scheveningen in The Hague (Netherlands) implements CLLD financed from the EMFF and municipal sources. The LAG has put in place an elaborate procedure to make sure that all citizens of the area concerned can vote on the development project they considered most useful for their community.

The LAG organised six calls for projects, each with a budget of EUR 150 000 (an individual project receiving a maximum of EUR 30 000). After the technical assessment by the LAG, all project owners were challenged to describe their proposal in maximum 150 words, which were used for publication in the local newspapers and on the website. All people in the coastal area (ca. 29 000) were invited to select the proposals in order of priority. In spite of the challenges of getting the information and unique voting codes to the inhabitants, between 1 500 and 4 500 of them took part in the vote, depending on the call round.

#### For more information

Van Dijk, T., 'Institutionalisation of Collective Action, Community Led Local Development in the context of the European Funds for Regional Development. The Case of Scheveningen', *initiatiefopscheveningen*, 2020. Available at: <https://initiatiefopscheveningen.nl/wp-content/uploads/2020/06/200401-Community-Led-Local-Development.pdf>

Beyond the use of participatory strategy design and implementation tools, the role of the LAG can be crucial in terms of implementing those types of projects that require broad participation, but due to their complexity cannot be implemented by individual beneficiaries. This is exemplified in the case of the Swedish LAG Halland.



Learning from  
practice

### LOCAL INITIATIVE FOR A RICHER HALLAND (SWEDEN)

For the LAG Halland, stakeholder engagement is a way to achieve co-creating local development with the local population. The LAG makes a point of including a minimum share of LAG-owned projects in their Local Development Strategy. The reasons behind this is that projects run by the LAG itself have shown to be the best way to engage directly with stakeholders. In 2014–2020, the involvement of additional ESI Funds beyond EAFRD allowed addressing new themes, such as business support and social services, and led to engaging with new actors.

LAG-run projects have been used in the areas of social housing and transport, which are fields that require the cooperation of a wide range of organisations. One lesson has been that the more complex a project is, the more participatory approaches are needed to make it work.

Other project types, for instance in the field of tourism, are comparatively easy to implement and are therefore more suited to be run by regional stakeholders themselves.

#### For more information

LAG Halland website: <https://www.lluh.se>

STRAT-Board strategy fact-sheet:

<https://urban.jrc.ec.europa.eu/strat-board/#/factsheet?id=SE-CLLD-001&fullscreen=yes>

Finally, participation is an increasingly important feature of different strands of EU policy-making, and the European Commission's Joint Research Centre (JRC) is working to implement participatory and deliberative practices in science and policy, recognizing that expert knowledge may not be enough to address citizens' concerns and complex governance issues.<sup>57</sup> Participatory approaches play an important role in the newly launched New European Bauhaus initiative (see Chapter 4, Cross-Sectoral Integration) and in the Just Transition Mechanism. Some useful resources on participation are listed in the box below.

### **YOUTH FOR A JUST TRANSITION – A TOOLKIT FOR YOUTH PARTICIPATION IN THE JUST TRANSITION FUND**

This toolkit, prepared by the European Commission in 2021, gives advice for the meaningful participation of young people in a policy process. Although it addresses in particular policy-makers responsible for the implementation of the Just Transition Fund (JTF), it provides practical guidance and good practice examples for youth engagement and co-creation methods that can also be relevant for regional and territorial development processes. In particular, the guidance goes beyond the programming phase and includes examples for the involvement of youth in implementation, monitoring and evaluation.

#### **For more information**

European Commission (EC), Directorate-General for Regional and Urban Policy, Borkowska-Waszak, S., Diamantopoulos, S., Lavelle, P., et al., *Youth for a just transition: a toolkit for youth participation in the just transition fund*, Publications Office of the European Union, Luxembourg, 2021. Available at: [https://ec.europa.eu/regional\\_policy/sources/docgener/guides/youth\\_just\\_transition\\_en.pdf](https://ec.europa.eu/regional_policy/sources/docgener/guides/youth_just_transition_en.pdf)

### **COMPETENCE CENTRE ON PARTICIPATORY AND DELIBERATIVE DEMOCRACY**

The main aim of the European Commission's Competence Centre on Participatory and Deliberative Democracy managed by the Joint Research Centre (JRC) is to support the development of socially robust policy through citizen engagement.

The Centre supports EU policymaking by:

- Enriching the EU knowledge base on participatory and deliberative practices
- Providing guidance for researchers and policymakers
- Building capacity on methodologies
- Developing dedicated public spaces for citizen engagement
- Experimenting with new methodologies.

The Centre's website contains various examples of participatory and deliberative practices that can serve as a source of inspiration.

#### **For more information**

Competence Centre on Participatory and Deliberative Democracy website: [https://knowledge4policy.ec.europa.eu/participatory-democracy\\_en](https://knowledge4policy.ec.europa.eu/participatory-democracy_en)



*Additional resource*

<sup>57</sup> [https://knowledge4policy.ec.europa.eu/participatory-democracy\\_en](https://knowledge4policy.ec.europa.eu/participatory-democracy_en); [https://ec.europa.eu/jrc/communities/sites/default/files/science\\_for\\_policy\\_handbook\\_fin.pdf](https://ec.europa.eu/jrc/communities/sites/default/files/science_for_policy_handbook_fin.pdf)

## OECD (2020) REPORT ON CITIZEN PARTICIPATION

This OECD report focuses on representative deliberative processes as part of a wider effort by democratic institutions to become more participatory and open to informed citizen input and collective intelligence. It gathers evidence and data that support the idea that citizen participation in public decision making can deliver better policies, strengthen democracy and build trust.

This report provides good practices, principles for deliberative processes and options for institutionalising citizen deliberation.

### For more information

Organisation for Economic Cooperation and Development (OECD), *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave*, OECD Publishing, Paris, 2020b. Available at: <https://www.oecd.org/gov/innovative-citizen-participation-and-new-democratic-institutions-339306da-en.htm>

## CHALLENGE 4: How to build capacity at local, regional and national levels

**Adequate capacity at different levels of the governance architecture is a crucial factor for an effective design and implementation of integrated territorial development strategies.**

Managing authorities and intermediate bodies at programme level need the capacity to coordinate policies across different ministries or departments and the capacity to delegate tasks to sub-regional and local levels. They also need the capacity to design delivery systems adapted to the specificity of the different territories and territorial instruments (taking into account the need to involve the local level in tasks typically carried out at programme level).

Local and sub-regional administrations and implementing bodies at strategy level need the capacity to think strategically, mobilise local stakeholders and create linkages between them, cooperate with local partners in the design and implementation of strategies and support the development of high quality projects.

Additional capacities are needed at both levels to manage public funding efficiently, to carry out administrative procedures smoothly and without delays and to monitor and evaluate the strategies.

Such capacities often cannot be built in a linear way, simply by delivering content to passive recipients. **Capacity building requires exercise, repetition and coaching.**<sup>58</sup> Therefore, activities need to be long-term (rather than one-off training sessions) and preferably practice-based, targeted at concrete tasks linked with the design or implementation of territorial strategies.

**Building appropriate capacity for territorial strategies can be challenging for local authorities in non-urban areas.** This does not necessarily mean that they are less capable of developing and implementing territorial strategies.

<sup>58</sup> <https://www.nesta.org.uk/blog/capacity-building-gyms-and-just-doing-it>

In non-urban areas, municipalities normally rely on very limited human and financial resources, which make it difficult to take on the additional tasks linked with territorial strategies. Therefore it is important to distinguish between qualitative capacity aspects, which can be addressed by capacity building measures, and quantitative aspects, which requires other solutions such as the creation of joint administrative structures or the provision of support from national or regional authorities.

**There are interesting examples of capacity building initiatives at the local level organised by higher levels of government or by associations of local authorities.** In Germany, the Small Town Academy provides capacity building for small towns.

### GERMAN SMALL TOWN ACADEMY

The Small Town Academy launched its pilot phase in 2019. It is part of the initiative ‘Small Towns in Germany’ that bundles, coordinates and expands existing programmes and activities for small town development. The aim is to strengthen the functionality of small towns.

The aim of the Academy is to offer a purpose-built platform for networking, exchange of experiences and advanced training. It targets over 2,100 towns across Germany, mostly in peripheral areas. The pilot phase 2019–22 is used to define suitable content and formats for the launch of the Small Town Academy in 2023. One of the main activities envisaged is the creation of an online platform that gathers existing information and various exchange offers and acts as a virtual collection of tools, materials, events and media targeted at improving the capacities of small towns.

#### For more information

Small Town Academy website: <https://www.kleinstadtakademie.de>

BBSR, German Federal Institute for Research on Building, Urban Affairs and Spatial Development, *Empowerment of Small Towns through collaboration, consulting and networking Individual publication*, German Small Town Academy – Pilot Phase, Bonn, March 2021. Available at: <https://www.bbsr.bund.de/BBSR/EN/publications/SpecialPublication/2021/german-small-town-academy-pilot-phase-dl.pdf> (EN)



Learning from  
practice

In Italy, the Inner Areas Technical Committee (Comitato Tecnico Aree Interne) has provided important analytical and methodological support to local communities within the National Strategy for Inner Areas (SNAI). In each pilot area of the SNAI, the Committee has organised focus groups and scouting activities on collective services and local development issues, involving local actors and representatives of national Ministries and regional administrations (see Challenge 1 of this chapter).

In Poland, the Association of Polish Cities (Związek Miast Polskich) launched an EU-funded project to encourage municipalities to be involved in EU-funded schemes such as those supported by ITI. The Centre for Advisory Support helps those municipalities that are in the poorest and most remote areas at risk of marginalisation to cooperate with each other and develop strategic plans (Ferry, 2021).



Learning from  
practice

## SUPPORT FOR STRATEGIC DEVELOPMENT IN POLISH LOCAL AUTHORITIES (POLAND)

Poland's National Strategy for Regional Development envisions initiatives to strengthen the capacity of local authorities to participate in strategic development activities. One of these is the Centre for Advisory Support (Centrum Wsparcia Doradczego – CWD), which has the goal of strengthening the administrative efficiency of local governments listed as 'threatened with permanent marginalisation'. These are mostly rural municipalities with an accumulation of negative spatial, social and economic phenomena that lack the administrative capacities to develop strategic projects for EU or domestic funding. A CWD pilot was launched by the Ministry of Development Funds and Regional Policy in 2020 in cooperation with the 16 regional authorities and the Association of Polish Cities. Support was provided to groups of local authorities working together.

### For more information

Organisation for Economic Cooperation and Development (OECD), *Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave*, OECD Publishing, Paris, 2020. Available at: <https://www.oecd.org/gov/innovative-citizen-participation-and-new-democratic-institutions-339306da-en.htm>

**Networking** with similar organisations can be a very effective **method of capacity building**, through the **exchange of practices and experiences and circulation of knowledge**.

Capacity building initiatives are often promoted by national networks. This is the case, for example, of LEADER/CLLD strategies. LAGs financed by the cohesion policy in non-urban areas can often benefit from the training, advice and exchange opportunities organised by such networks. In Sweden, in the 2014–2020 period, the National Rural Network (NRN) provided capacity building and networking for all LAGs, urban as well as rural, irrespective of the funding source<sup>59</sup>.

**There are also capacity-building initiatives organised at the European level.**

These include the service point for rural development, the European Network for Rural Development (ENRD),<sup>60</sup> which offers training and knowledge exchange for LEADER LAGs. Until 2021, the Fisheries Areas Network (FARNET)<sup>61</sup> provided similar support to LAGs funded by the EMFF. From 2022 this service is called Fisheries and Aquaculture Monitoring, Evaluation and Local Support Network (FAMENET)<sup>62</sup> and its support for LAGs under EMFAF continues. These networks provide a wealth of resources for local actors on their respective websites.

While it is important to build capacities of stakeholders at the local level, **the multi-level character** of territorial development strategies also requires **building capacity at higher levels of government**.

When launching CLLD under the European Fisheries Fund, the DG for Maritime Affairs and Fisheries (DG MARE) put in place – as part of FARNET – dedicated support targeting EMFF managing authorities in charge of CLLD. This support includes two

59 <https://ldnet.eu/wp-content/uploads/bsk-pdf-manager/2020/09/SE-CLLD-country-profile-v4.pdf>

60 <https://enrd.ec.europa.eu>

61 <https://webgate.ec.europa.eu/fpfis/cms/farnet2>

62 [https://oceans-and-fisheries.ec.europa.eu/funding/famenet\\_en](https://oceans-and-fisheries.ec.europa.eu/funding/famenet_en)

transnational meetings per year focused on capacity building and peer learning, targeted individual support and a number of guides and other tools available on the FARNET website<sup>63</sup>. Some support on CLLD was also provided to ESF managing authorities within the Transnational cooperation platform through a Community of Practice on Social Innovation, including the preparation of a report on ‘The ESF and Community-Led Local Development: Lessons for the Future (2022)’<sup>64</sup>.

**Peer-to-peer exchanges** have been shown to be useful to exchange experiences and learn from each other. They can be particularly useful for national or regional programme management bodies, but also for the organisations implementing territorial strategies. The TAIEX-REGIO PEER2PEER initiative provides a support framework for this type of capacity building for different levels of authorities. Since its launch in 2015, there have been over 500 supported exchanges with at least 16 of these focusing on territorial instruments.

### TAIEX-REGIO PEER2PEER

This initiative of the European Commission’s Directorate-General for Regional and Urban Policy (DG REGIO) facilitates exchanges between authorities and other bodies involved in the management of programmes using the ERDF, the Cohesion Fund (CF) and the JTF.

It supports the sharing of experiences, knowledge and good practices between policy-makers from different EU countries. This exchange between peers allows upgrading administrative capacity in a wide range of areas, including territorial instruments.

Participation is open not only to managing authorities but also to intermediate bodies implementing territorial instruments and other relevant stakeholders. The dedicated website includes a searchable list of previous exchanges, including several on the use of ITIs and territorial instruments more widely.

For instance, in March 2017, the Region of Murcia engaged in a workshop supported by TAIEX-REGIO PEER2PEER initiative. The event was hosted by the European Committee of the Regions in Brussels and involved contributions from the European Commission, the European Investment Bank and European agencies, as well as peer input from Belgium, Italy, Poland and the United Kingdom.

The workshop provided a forum for discussion between local and regional representatives involved in the management of ITI strategies.

#### For more information

TAIEX-REGIO PEER2PEER repository: [https://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/taix-regio-peer-2-peer](https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/taix-regio-peer-2-peer)



Additional  
resource

Similar activities have also been undertaken by policy-makers at their own initiative, such as the study tour organised by the Czech ESF managing authority to learn about CLLD or the study visits organised by the Western Pomeranian LAG network in Poland.

63 [https://webgate.ec.europa.eu/fpfis/cms/farnet2/tools/managing-authorities\\_en.html](https://webgate.ec.europa.eu/fpfis/cms/farnet2/tools/managing-authorities_en.html)

64 <https://ec.europa.eu/european-social-fund-plus/en/transnational-cooperation-platform/community-practice-social-innovation>



Learning from  
practice

## PEER-TO-PEER EXCHANGE ON CLLD

In the spring of 2017, the Czech ESF managing authority carried out a study visit to Sweden to learn from their approach to using ESF resources as part of their multi-fund approach to CLLD. The trip included visits to actors at three key levels of territorial strategy implementation.

- **Programme level:** this included visits to the Ministry for Rural Development and its agency, the Board of Agriculture, which is the Swedish managing authority for CLLD. This included meetings with the coordinator for CLLD and representatives of the payment, control and monitoring units.
- **Strategy level:** visits were made to three LAGs (LEADER Linné Smaland, Lokalt Ledd Utveckling Halland, LEADER Längs Göta älv), meetings with LAG management.
- **Project level:** here the Czech ESF managing authority visited two projects supported within these LAGs (social enterprise, community garden) plus other ESF projects (integration of asylum seeker women into the labour market, project Gothenburg Development North East).

For the Czech ESF managing authority the study tour was a useful way to compare its approach with others and learn from existing implementation experiences. The issues covered included different ways to support LAGs (e.g. seminars, workshops, thematic days, consultations, study visits), to exchange experiences (focus groups, good practice studies and 'stories', evaluation) and to provide support in dealing with the regulatory framework, whilst not creating additional rules for LAGs.

In addition to the study visit to Sweden, the Czech ESF managing authority also went to Austria and the United Kingdom to learn about support for social enterprises and community centres. Most importantly, the Czech ESF managing authority has been starting to share their experiences, too, for instance with colleagues from Bulgaria and Latvia, and by hosting a study visit for Croatian colleagues.<sup>65</sup>

## RECOMMENDATIONS

- Identify suitable governance structures.
  - ▶ Create dedicated organisational structures, such as associations, to implement territorial development strategies in rural territories where there is no obvious lead municipality.
  - ▶ Where relevant, consider setting inter-municipal cooperation or joint management of municipal functions and services as a precondition for accessing funding for territorial development strategies.
  - ▶ Tailor governance arrangements to available capacities. Gold-plating or overly ambitious and complicated governance structures and procedures for territorial strategies should be avoided, as these risk delaying implementation and discourage local involvement.

65 Czech Ministry of Labour and Social Affairs (ESF managing authority).



- ▶ Carefully assess the introduction of new territorial implementation mechanisms on a case-by-case basis. In territories where existing instruments and governance arrangements work, the introduction of new implementation mechanisms may not provide any added value, while it may increase coordination costs.
- Coordinate between actors at different governance levels.
  - ▶ Make sure coordination arrangements are flexible and respect the principle of subsidiarity. Coordination arrangements have to include all governance levels, upstream and downstream of the territorial development strategy. The establishment of councils or committees to ensure coordination at different governance levels has proven to be effective in several countries and should be actively promoted.
  - ▶ Ensure that the management body of a territorial development strategy can perform a range of policy functions; ideally, it can act as a one-stop-shop for beneficiaries and various policy interventions.
  - ▶ Actively promote the creation of institutional spaces for ongoing negotiation and collaboration with private and public actors. LAGs, regional and local development agencies and other intermediary organisations can play a central role in strengthening relations between actors, which is an essential condition for strategies' success.
- Engage relevant stakeholders and citizens throughout the policy process.
  - ▶ Think of regulatory obligations for participation as an opportunity to make constructive use of stakeholder engagement. Participation can help build trust, enhance cooperation and solve conflicts when they arise. Delegating tasks can create ownership.
  - ▶ Carefully plan participatory tools and capacity building measures to enable the involvement of groups that are usually less engaged (e.g. young people). Make a conscious effort to ensure the involvement of such groups.
  - ▶ Ensure participation throughout the strategy cycle. Engagement processes of citizens and other local actors should be carefully designed, taking into account territorial and institutional specificities, tradition of engagement practices and mechanisms to ensure information circulation and follow-ups.
- Build capacity at local, regional and national levels.
  - ▶ Understand and plan for capacity-building activities as longer-term rather than as one-off activities. These should be practice-based, targeted at concrete tasks in the implementation process of territorial strategies.
  - ▶ Ensure higher levels of governance play a key role in empowering and providing support to local actors, helping them build capacities to prepare, manage and monitor integrated, bottom-up and participatory local strategies.
  - ▶ While it is important to build capacities of actors at the local level, make sure that capacity building also happens at higher levels given the multi-level character of territorial development strategies.

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