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# ET2050

## Territorial Scenarios and Visions for Europe

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**Territorial Governance approaches  
for delivering the Territorial Vision**

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*Desirability of flexible geographies and a more territorial approach to policy-making: Today's complex challenges do not respect rigid boundaries; we need new types of cooperation to tackle pressing issues such as intensifying global competition, shifting population dynamics and climate change. (European Commission, 2009b)*

### ***Territorial Governance: a means for achieving the Vision?***

Now that the Territorial Vision is in an advanced phase, the issue of its implementation is the main focus of this last phase of the ET2050 project. This implementation phase is elaborated along three main components: Targets, Pathways and Territorial Governance.

The work on **Targets** aims at quantifying the objectives and goals that are developed in the Vision in order to monitor the evolution of the European territory and its capacity to achieve these objectives. These targets are *territorially blind*, i.e. drawn for the entire European territory. They are also elaborated in the context of certain *policy sectors*, i.e. transport, energy, social... Finally, the targets are *evolving over time*, with different quantified targets at the short-term, medium-term and long-term perspectives.

In the work on **Pathways**, the envisioned objectives are connected with specific policy leverages, within the classic sectoral structure of *policy intervention* (economy, social progress, transport, energy), that are deemed the most adapted for tackling each issue.

The notion of **Territorial Governance** used as a framework for territorial development policies thought as a relevant and necessary means for *achieving the objectives* of the vision, *delivering the targets* identified for the European territory and *operationalizing the policy pathways* chosen.

### ***Territorial Governance: an Unknown Policy Object?***

The 'generic' literature on European Territorial Governance offers little concrete insights on what forms territorial governance arrangements need to take in order to tackle efficiently identified policy objectives. The form taken by these arrangements is inevitably rooted in the national institutional setting, the degree of empowerment of local and regional authorities (i.e. devolution), the specific territorial preconditions (i.e. how a certain territory is more or less impacted by each issue) and the structure of the civil society (i.e. linked to the capacity to mobilize stakeholders on the ground). Hence, one cannot design a priori a specific form of territorial governance arrangements that can be applied throughout the spectrum of policy objectives across the entire European territory.

In the inception report of an ongoing project for DG Regio on "Promoting Multi-Level Governance in support of EU2020" the notion of territorial governance has been framed as follow:

*Territorial governance involves employing a territorial approach in development strategies and decisions. It is related to the concept of territorial cohesion as both a policy goal and a political and planning process including the means to achieve efficient, equitable and sustainable development in all types of territories of the EU. Spurred on by the political debate on territorial cohesion and territorial capital, multi-level governance can be seen as a means to achieve endogenous territorial development via the organization of new 'constellations of actors, institutions and interests'. (Spatial Foresight and Nordregio, 2013)<sup>1</sup>*

Although the review of the literature (see Nordregio's deliverable to the Interim report) is very valuable in bringing new insights on TG in the European territorial development policy debate, there are limitations on how it can actually be operationalized in the context of the TeVi. First, the literature remains very abstract on what should be done for improving the cross-sectoral coordination of policies, the efficient implementation of initiatives or the way to take into consideration what a 'place' is in the policy cycle. Second, the outcome of the literature is that territorial governance arrangements are 'unique' depending on the thematic, geographical and institutional contexts in which they operate. In this sense, it means that TG arrangements are difficult to systematize. In a nutshell, the literature treats TG either from a very abstract manner (using general recommendations), or from a very applied, empirical angle (using case studies and best practices). In applying the notion of TG to the context of the TeVi, we try to find a middle ground in this abstract-specific dichotomy.

However, the outcomes of the recently finished ESPON project investigating Territorial Governance Approaches (TANGO)<sup>2</sup> may provide a relevant framework for using the notion of TG in the Vision. First of all, the project identified five main dimensions of Territorial Governance that should be considered:

- Dimension 1: Coordinating actions of actors and institutions
- Dimension 2: Integrating policy sectors
- Dimension 3: Mobilising Stakeholder participation
- Dimension 4: Being adaptive to changing contexts
- Dimension 5: Realising place-based/territorial specificities and impacts

In that framework, the conclusions drawn as regards to the operationalization of territorial governance approaches relates both to the improvement of governance practices among each dimension, but also between them. This way of thinking is very much in line with the previous literature. However, a new finding from the project is that some of these dimensions are

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<sup>1</sup> [http://ec.europa.eu/regional\\_policy/sources/docgener/studies/pdf/mlg\\_inception\\_report\\_20140114.pdf](http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/mlg_inception_report_20140114.pdf)

<sup>2</sup> Nordregio et al. (2013) TANGO Final Report

usually quite well integrated in governance practices across Europe. This is the case for dimensions 1 and 2 on the one hand (i.e. the EU governance level), and dimensions 3, 4 and 5 on the other hand (i.e. the sub-national governance level). Hence, we deem that the TG aspects of the Territorial Vision presented in this contribution should aim at improving this integration between those two sets of governance practices.

A second noticeably outcome of the TANGO that could be used for framing our discussion on TG in the Vision is the identification of three main logics through which the process of Europeanization of territorial governance approaches is unfolding:

- *Dialogic mode* -> from EU discourse to national discourses to domestic practices
- *Operational mode* -> from EU discourse to EU tools influencing various domestic practices
- *Institutional mode* -> EU discourse codified in the EU structure inducing changes in the domestic structure and thus practices, or into EU tools (see operational mode)

In our views, these three different modes can be considered as the main logics through which evolutions and durable changes may be induced in territorial governance practices across Europe. Hence, in the framework of the Territorial Vision, we ought to identify how each of our proposals may be associated with these modes.

### *The vision in the Vision: promoting European added-value and reducing institutional and geographical fragmentation*

Territorial Governance approaches aim at reducing the inefficiencies that result from the fragmentation of Europe's institutional and sectoral policy landscape. Most of the challenges that European territories are faced with do not stop at administrative boundaries. Moreover, the classic power structure that has proved to be rather efficient at creating welfare in the Member-states in the past decades (i.e. divided into sectoral ministries with distinct policies, budgets and programmes), and that has been duplicated at the European level (i.e. the different sectoral DGs at the Commission) are assumed to be less efficient to tackle core development issues such as demographic shift, climate change implications, globalization of the economy, socio-spatial polarization...

In that respect, Territorial Governance aims at reducing the inconsistencies inherent to the design, elaboration and operationalization of sectoral policies in Europe by providing some guiding principles shared throughout institutional layers. In doing so, developing Territorial Governance approaches for resolving future development issues means to bring into coherence how policy strategies developed in different sectors (Transport, Energy, Economy...) are elaborated and how they are efficiently implemented in Europe' wealth of institutional and geographical settings.

In the TeVi, we take the stand that a critical point for the future of territorial governance is linked to the *institutionalization* of spatial development in European policymaking. The Vision identifies issues that are transnational and touch core European values. In that sense, tackling those issues more efficiently necessitate reinforcing the European capacity to deal with these challenges at the different stages of the policy cycle (design, elaboration, implementation and monitoring) and to do so for the full spectrum of Europe's diversity of regions, territories and cities.

Spatial development should not be considered as 'another' sectoral policy. This would go against the very nature of spatial policies that is relevant for most sectoral policies (See Böhme *et al.*, 2011 for such an outlook)<sup>3</sup>. Hence this institutionalization should aim at changing planning policies and practices converged towards a shared set of values and common standards in how policy interventions are designed and operationalized. However, a common vision on Spatial Development as a shared task should have a clearer position in the European policymaking sphere.

In the Vision, it has already been advocated that a specific strategy, the European Territorial Cohesion Strategy (EuTECOs) promoting territorial cohesion both as an objective to achieve for European policies and as a way of organizing policy interventions and actions. The adoption of such a pan-European strategy would provide the institutional muscle for developing the territorial governance approaches that we propose in the present contribution.

A European Vision cannot and should not aim at dealing with *all* aspects of institutional and geographical fragmentation in European policymaking, but rather focus on the ones that present a serious threat to the future development of the European Territory. Hence, European policymaking should focus on tackling issues (1) that are central bottlenecks for achieving the EU's overarching objectives (Competitiveness, territorial cohesion and environmental quality/sustainability) and (2) for which institutional, geographical and sectoral fragmentation are hampering this process.

Finally, the TeVi is a *European spatial vision* that should not aim at replacing spatial visions developed at other territorial scales (e.g. national or metropolitan) but rather at reducing the friction inherent to their achievement due to the fragmented institutional landscape in Europe. More than just developing *shared pan-European objectives*, the TeVi also acknowledges that *how* these objectives are actually met, through programmes and initiatives, cannot be separated from them. Hence, the European spatial vision acknowledges that such objectives can be met while having the European added-value in mind.

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<sup>3</sup> Böhme, K., Doucet, P., Komornicki, T., Zaucha, J. and Swiatek, D. (2011) How to strengthen the territorial dimension of 'Europe 2020' and the EU Cohesion Policy, Report based on the Territorial Agenda 2020, Available at: [http://www.mrr.gov.pl/rozwoj\\_regionalny/Prezydencja/Documents/Background\\_report\\_territorial\\_dimension\\_of\\_EU2020\\_CP.pdf](http://www.mrr.gov.pl/rozwoj_regionalny/Prezydencja/Documents/Background_report_territorial_dimension_of_EU2020_CP.pdf)

## *Insights from the participatory process*

As a result from the participatory approach of the ET2050 projects, important points that are related to the issue of Territorial Governance have been raised by stakeholders. The comments provided by the policymakers and stakeholders during the Policy Seminar (11th of October), and further confirmed during the workshop with the MC (3rd of December) tend to confirm this need to devise a more territorial development approach to the Vision

Examples of comments:

- Focus on functional areas and how to manage them
- Include ways to achieve goals
- Relate the visions to existing policy orientations EU2020-CSF-TA2020
- Community-Led Dev. = Mobilization of local and regional stakeholders
- Bottom-up vision = collage of multiple territorial visions; brick-by-brick process
- Ex: Natura 2000 areas overlap countries = need for specific tools for strategic domains
- Reducing cross-border gaps
- SGI (e.g. health care) across borders = reducing fragmentation
- Diversity a keyword = Capitalizing on Territorial Capital
- What units fit policy intervention?
- Governance is too administrative in the draft
- Empowerment of European territories = a grassroots vision?

### *Three proposals for 're-scaling' Territorial Governance in Europe*

An important point raised in the literature is about the necessary *re-scaling* of territorial governance approaches. This relates to the increasing understanding of the *territoriality* of central development issues and of the policy actions needed to tackle them; hence the call for the "re-territorialisation" of the policymaking processes in Europe<sup>4</sup>. The underlying objective of territorial governance is thus "to create the conditions that allow collective action to take place in order to create territorial cohesion at different spatial scales"<sup>5</sup>. This necessary 're-scaling' of governance is the result of the increased inter-dependencies between countries, regions and localities.

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<sup>4</sup> Rivolin, U.J. 2010, EU territorial governance: learning from institutional Progress, The European Journal of Spatial Development

<sup>5</sup> Davoudi, S., Evans, N., Governa, F. and Santangelo, M. (2008) Territorial governance in the making. Approaches, methodologies, practices Si Boletín de la Asociación de Geógrafos Españoles, ISSN 0212-9426, Nº. 46, 2008, pags. 33-52 01/2008;

According to Gualini, an important feature of the territorial governance approach is to identify the most pertinent territorial units for developing integrated policy interventions. In that sense, it must be associated with a certain New Deal in the interpretation of the principle of *subsidiarity*. In the EU policymaking context, subsidiarity ensures that “decisions are taken as closely as possible to the citizen and that constant checks are made to verify that action at Union level is justified in light of the possibilities available at national, regional or local level”<sup>6</sup>. Its present policy context the principle of subsidiarity is often used as a way of ‘defending’ the local prerogatives in opposition to the European interests. Hence, the elaboration of policy interventions is embedded *by default* at the local level.

Using the points of the argumentation developed by Wegener<sup>7</sup> in the framework of spatial planning initiatives in the Ruhr region, we advocate that new approaches to territorial governance need to insist instead on identifying *the most appropriate territorial level* at which to elaborate, implement and monitor policy interventions. This can be done by ensuring that the *delimitation of the problem-space*, i.e. the geographical extent of the impacts of certain development issue, *is in line with the delimitation of the decision-space*, i.e. the one at which interventions are elaborated, implemented and coordinated.

Doing so requires identifying the core challenges that European territories are subject to. There are core issues that are intrinsically European in the sense that they touch all territories across Europe. In that respect, the European level would appear to be the most appropriate for developing policy interventions. However, the actual impact that these issues have for each territory may vary a lot, depending on the local context, which makes it difficult to develop a one-size-fits-all policy framework. But the local level is also too splitted institutionally to be considered as an *appropriate* level to develop such policy interventions. Of course, as mentioned in the Territorial Governance literature, specific arrangements promoting a better coordination of joint local responses may be established. But these arrangements remain very *ad hoc* in nature and so diverse that they are difficult to monitor and benchmark against each other.

In the Territorial Vision, we argue that approaches to territorial governance can improve the efficiency of collective action (not the least in terms of financial resources) by removing the inherent institutional friction induced by administrative fragmentation to solve common territorial development issues with the overarching aim of creating European added-value.

In our views, we envision that this can be achieved through three specific processes of ‘re-scaling’ of the problem and decision spaces:

- Issue-driven rather than sector-driven EU policymaking
- Managing policy interventions through functional territories

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<sup>6</sup> EU Glossary [http://europa.eu/legislation\\_summaries/glossary/subsidiarity\\_en.htm](http://europa.eu/legislation_summaries/glossary/subsidiarity_en.htm)

<sup>7</sup> Wegener, M. (2010) Government or Governance? The challenge of planning for sustainability in the Ruhr, Paper presented at the Fourth Conference of the International Academic Association on Planning, Law, and Property Rights, Dortmund 10–12 February 2010. Published in Hartmann, T., Needham, B., Eds. (2012): Planning by Law and Property Rights Reconsidered. Farnham, Surrey, UK: Ashgate, 157-168.

- Operationalizing Territorial Diversity Coalitions

Each of these three approaches aim at improving the territoriality of EU policymaking process by making proposals on how to resolve the dilemma of the mismatch between the problem-space and the decision-space, both in terms of geographical delimitation and thematic focus. Each of them is thus associated with a specific governance dimension that it seeks to improve (*what*), at a specific moment of the policy cycle (*when*) and with a specific operationalization of Europeanization logic (*how*, through what processes). These different features are summarized in the table below.

Table 1: Key characteristics of the three re-scaling proposals

<b>TG PROPOSAL</b>	<b>GOVERNANCE DIMENSION IMPROVED</b>	<b>CONTRIBUTION TO THE POLICY CYCLE</b>	<b>ASSOCIATED LOGIC (TANGO)</b>
<b>Issue-driven rather than sector-driven EU policymaking</b>	Cross-sectoral	Programmatic	Institutional
<b><i>Managing policy interventions through functional territories</i></b>	Functional	Implementation Monitoring	Dialogic
<b><i>Operationalizing Territorial Diversity Coalitions</i></b>	Place-basedness	Strategic	Operational

## **Issue-driven rather than sector-driven EU policymaking: Designing policy mixes at the programmatic stage**

### *What's the rationale?*

The increased coordination of sectoral policies should be achieved already at the programmatic stage, i.e. when the form and scope of financial allocations are decided at the European level.

Within the framework of the TeVi, we do not foresee any radical changes in the institutional landscape at neither the EU nor the national levels, i.e. when it comes to the division into different DGs with a specific sectoral scope and a dedicated budget. This means that any new Territorial Governance Approach fostering this cross-sectoral integration in European policymaking should be designed in the context of globally unchanged institutional landscapes at these levels.

However, the Vision has clearly identified a series of issues that will prove challenging to overcome for the future development of the European Territory. Most of these issues are not new as they can be related to existing objectives from the Europe 2020 strategy. Although some of these issues have a specific resonance within certain policy sectors, for instance energy efficiency with energy policy and accessibility with transport policy, designing adapted policy responses that are able to tackle these issues *efficiently* and *durably* tackle these issues need to consider how other sectors may contribute to achieve that aim. However, doing so would necessitate a rather high level of coordination of the sectoral funds and programmes in order to provide enough financial leverage and reduce the risk of contra productive effects with an *in fine* limited final territorial impact.

### *Our narrative in a nutshell*

In the TeVi, we envision that the sectoral programmes and incentives are negotiated collectively among sectoral policies by the using an improved Open Method of Coordination. The principles for these negotiations are based on the identification of key development issues that necessitate coherent, cross-sectoral incentives. Instead of designing and implementing their respective programmes largely independently, the DGs have the duty to reach a consensus on to what extent and how their programmes are associated fundings are brought together.

The OMC has long been seen as a reasonable alternative for reconciling the logic of integration and the logic of diversity in the EU, and especially interesting when applied in policy fields for which there is a clear mandate and formal competence for European institutions, such as employment and social policy (Davoudi, 2008). It is also deemed as a good alternative for framing policy actions in areas for which the competence are split among several policy actors. For instance, the OMC has been applied in the context of Social Inclusion policies, which is clearly an example of cross-sectoral objective.

The clearer mandate we advocate for European institutions on the field of Spatial Development would provide a more appropriate institutional landscape for developing a process of inter-sectoral negotiations for elaborating mixed policy packages for a set of development issues. A dedicated European institution would be better able to ensure that (1) to support sectoral DGs in federating their views and coordinating their regional incentives on regional programmes, (2) to facilitate the discussions between the DGs and (3) to provide territorial evidence that enable to identify regions and territories that have specific bottlenecks and/or potentials on the identified issues using territorial benchmarking.

Such an alternative is preferable to adding a new layer of DGs with specific responsibilities in coordinating the programmes and actions because it changes the perception of the 'Community method' from a formal *govern-by-authority*, inter-governmental mode of governance, which tends to decommit key stakeholders from being accountable and engaging themselves in resolving these issues durably, to a more *flexible, consensus-based* and *issue-driven* mode of governance.

For each issue, a 'grenelle' is taking place enabling the representatives of the involved sectoral DGs and key stakeholders to discuss and agree on a joint position on a set of objectives to attain, with a detailed roadmap (including the contribution of each sectoral programmes) and associated *binding* targets at the regional level: input targets.

*Some operational insights*

The idea of this proposal is to improve the coordination of sectoral investments already at the programmatic level. Also, the inter-sectoral negotiations should aim at elaborating and preparing new European regulations that will provide the regional and local authorities with an appropriate regulatory framework to operationalize the new programmes. Indeed, for each identified issue, the sectors that need to be engaged in the cross-sectoral coordination may be different at European and national levels on the one hand, and regional and local levels on the other hands. In respect with the principle of subsidiarity, the higher-tiers levels should not meddle in the implementation of initiatives that are not their prerogatives, but for which sharper and unified European regulations would improve the Europeanization of planning practices at lower levels. 'Europeanization' does not imply a standardization of the territorial governance arrangements across Europe, but rather a greater convergence between the objectives to pursue and the investments made. In line with the idea of *thematic concentration* advocated already in the Europe 2020 Strategy, such a process should focus on key issues for Europe's future development.

Table 2: Key characteristics of sectorally policy mix programmes

KEY ISSUE	PROGRAMMATIC COORDINATION (SECTORAL POLICIES)	REGULATORY CONSISTENCY (ENABLING LOCAL	ASSOCIATED TERRITORIAL TARGETS
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		<b>ACTIONS)</b>	
Energy Efficiency	Energy Transport Climate Research & Technology	Green public procurement Social housing Building regulations Public Transportation Land-use management & Zoning	Target 4 – Compact Settlements
Social Inclusion	Employment Transport Health Education Innovation & Entrepreneurship Poverty & Social Exclusion Education	Provision of Services of general Interest Public Transportation Road management Life-long education & Training Social welfare	Target 1 – Shrinking Regions Target X – Reduce Income Gap Target 3 – Minimum Accessibility
Blue and Green Growth	Environment Energy Industry Maritime Common Fishery Agriculture	Land-use/coastal management Maritime Planning Landscape planning Waste management	Target 5 – CO2 Emissions Target X – Exploit Renewable Energy Potential
Fair Regional Competition	Competition Transport Research & Technology Innovation & Entrepreneurship Information Society and Media Employment Trade	Land-use management Professional tax incentives Local & Regional Chambres of Commerce	Target 2 – Regional Economic Gap

Whereas sectoral policies elaborated at the European and national have a clear impact on planning practices at local level, the capacity of local and regional actors initiate projects effectively is central for ‘delivering’ objectives and targets set at the higher levels.

### **Managing policy interventions through functional territories**

*What's the rationale?*

It has been long claimed that a more functional approach should be undertaken when operationalizing policy interventions at the regional and local levels. Traditionally, problems

could be identified within each jurisdiction and adapted interventions could be undertaken. However, as a consequence of European integration, globalization forces and critical changes induced by the recent crisis, it is common sense that this approach focusing on jurisdictional territories can now long prevail as development challenges and opportunities extend beyond these boundaries.

Using functional territories form elaborating and operationalizing policy interventions has thus been raised as a key Territorial Governance Approach for the future. This means to find a renewed trade-off between the principles of subsidiarity and solidarity. Some key prerogatives for 'delivering' EU objectives are actually devolved to local and regional authorities. However, some of these authorities lack the critical mass to tackle efficiently these issues on their own. Hence, there is a need for a higher level of *territorial solidarity* that would support local and regional authorities in developing specific governance arrangements (i.e. inter-municipal or – regional coalitions with flexible geographies depending on the issue at stake). Solidarity means that regional and local authorities belonging to the same functional governance arrangements are committed to joint targets in order to use more efficiently the policy leverages at their disposal. This means as well that the geographical level for policy interventions is focusing on coherent functional territories rather than administrative ones (although they may eventually coincide).

### *Our narrative in a nutshell*

The claim made above is certainly not new, because the limitations of 'plain governance' (Stead, 2013), i.e. governance arrangements articulated around the inter-governmental negotiations, are by now well documented. According to Murphy (2008), the "territoriality of the European state system helped to produce a geographical imagination that privileges the 'nation-states' over river basins, vegetation zones, population concentrations, or other possible regionalizations". Moreover, even this claim is well anchored in European policy circles: "one of the most interesting ideas arising from the concept of territorial cohesion is that there may be other territorial levels (intra-regional or supra-national) which might be relevant for policy intervention"<sup>8</sup>. Territorial governance then turns into a process of reifying new "softer" spaces of policymaking.

The focus of our proposed 'avenue' is to develop interventions that are better able to frame the process of 'managing territorial dynamics' which is related to the capacity to geographically delineate the boundaries of the functional territories that are the most appropriate for tackling a specific issue (Stead, 2013).

These functional territories may be *cross-border* in some cases. Territorial cooperation addresses the most significant spatial development issues that are cross-border and transnational in character, affecting an area cutting across national and regional borders (i.e. water management, air pollution and trans-boundary transport infrastructure). These call for

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<sup>8</sup> CEC, 2008b, p. 20.

new forms of cooperation to improve the planning of land uses sharing the common challenges and managing problems jointly in very practical aspects.

*Multi-level and geographically flexible territorial governance should be able to manage different functional territories and ensure the balanced and coordinated contribution of the local, regional, national, and European actors—such as authorities or governments—in compliance with the principle of subsidiarity through systematic integration of territorial aspects. (MUDTCEU, 2011, p. 85)*

We envision that this way of dealing with development issues is *mainstreamed* thanks to the operationalization of our first avenue (see above): better packaged inter-sectoral mixed fundings, common European regulations and praxes, thematic concentration on key issues of European importance...

The actual form that these functional governance arrangements may take cannot be systematized. However, the signing of territorial pacts among local and regional authorities involved would enable to commit the participants to 'deliver' on the targets identified at the European levels. Higher levels of financial commitment in delivering those targets (and thus alleviate the burden of other parts of the EU territory) would be translated into higher proportion of co-financing from EU programmes.

### *Some operational insights*

Using territorial solidarity as a platform for achieving the objectives set by the Vision of the vision is translated at within two spheres. Territorial solidarity implies not only that local and regional authorities should aim at operationalizing more efficient co-management of key territorial development dynamics, it implies as well that if some functional territories have more potential for 'deliver' well beyond the targets, they should be encouraged to do it so that other territories can focus on tackling other issues for which their preconditions are better.

Hence, the newly adopted mandate of European institutions on Spatial Development enables to identify the key territories that have the potential to sustain higher targets. In return, this would enable policies to focus policy interventions on other objectives in other types of territories. Example: sparsely populated areas may be the most valuable places in Europe to deliver the objectives of renewable energy production, due to their natural endowment and the large spaces of land available. Hence, the territorialization of the targets would enable both shift the scope and focus of policy interventions in different types of territories to objectives for which they can 'easily' deliver the targets. For each objective identified by the Vision, we could identify the most relevant 'European territorial level' that is the most relevant to achieve the targets while improving European integration and added-value.

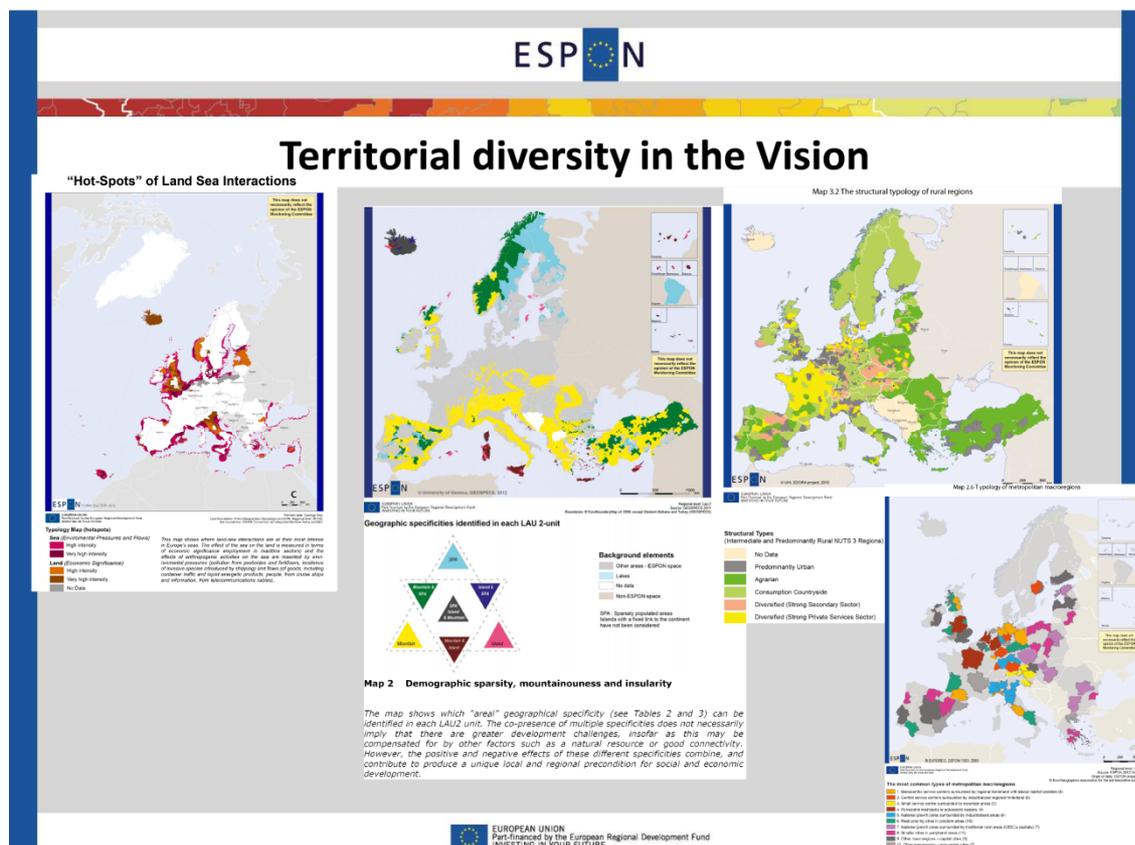
The idea of having varying quantified targets set for different functional territories would enable to develop a *fair monitoring system* of EU interventions, i.e. a system that takes into consideration ex ante the potential for each region to deliver on the overarching EU targets.

## Operationalizing territorial diversity coalitions

### What's the rationale?

The EU treaties have made a clear case on the fact that some territories are especially important for the long-term development of the continent, some because they hold specific resources or potentials than can prove to be decisive for the continent's strive for development in the perspective of globalization, but some because they are essential for the cohesiveness of the European territory. In the latter case, the costs of non-intervention would be far higher than the costs of interventions, even if they can be deemed as relatively (in)efficient. In the EU policy documents, such territories consist essentially of rural regions as well as areas with geographic specificities (mountain regions, sparsely populated areas and island regions).

Figure 1: The development potential of Europe's areas with geographic specificities is impacted by institutional fragmentation



However, how this paradigm of EU Cohesion Policy from convergence to diversity can take is still very sketchy. These types of territories face a dilemma (and so does the EU) in terms of efficiency of policy interventions. Tackling the specific challenges and cashing in the potential opportunities that lie in those territories necessitate creating a certain critical mass for policy intervention by federating regions and localities into more strategic development coalitions on the basis of *contiguity* and shared *specificity*. However, the institutional fragmentation induced by jurisdictional boundaries both within national borders (example: the sparsely populated areas of Central Spain that stretch across several autonomous regions and provinces) and across them (example: the Alpine region) implies that even at the regional level these types of territories are marginalized and less prioritized in terms of policy actions.

Hence, creating new forms of territorial coalitions would enable areas with geographic specificities to federate their resources across a common development prospects as well as more efficiently tackling their common challenges by pooling their resources, essentially linked with the provision of services of general interests (SGI).

### *Some operational insights*

The integration of the European territory only through the integration of metropolitan cross-border regions, exemplified in the ESDP as Global Economic Integration Zones, tends to occur through a leopard skin pattern. The territories that fall in-between are often those that have been labelled in EU treaties as areas with geographic specificities. There is a need to go further with the ETGC thinking by empowering cross-border and trans-national entities on the basis of common specificity. This would enable smaller regions and territories that are not traditionally in the leading role for developing such territorial coalitions to assemble a coalition of *peer-territories* for which a coherent set of common objectives may be developed, supported and even monitored.

Such territorial diversity coalitions would focus on the search for organizational consensus, involving early on a common organizational structure, common objectives and tasks and a common vision for the future (Davoudi *et al.*, 2008) within geographically coherent spaces.

### *Conclusions: Pragmatic envisioning of Territorial Governance futures*

The three proposals for territorial governance approaches we introduce in this contribution do not represent a substantial break from the recent thinking around European Governance. What it proposes is an evolution of the existing thinking adapted to the specific context, both scientific and policy-wise, of the Vision.

In that respect, a recent exercise of envisioning the future of Cohesion Policy developed by Mendez, Bachtler and Wishlade<sup>9</sup> for the European Parliament provided some interesting tracks for understanding identify four different scenarios that address the place of Cohesion policy in the framework of the Europe 2020 strategy. These four scenarios are based on different approaches along two main axes: first of all, when it comes to defining the main objects for policymaking, the choice is between a territorial and sectoral approach; second, the type of governance varies from bottom-up to top-down. The approach we laid in the present contribution aimed at alleviating the mismatch between the problem-spaces and the decision-spaces of European territorial development. In that respect, our proposals would appear in the middle of the previous matrix as it seeks both to balance the top-down and bottom-up dynamics and aims at fostering the ‘placed-basedness’ of sectoral policies.

**Four policy visions of Europe 2020**

PROBLEM/OBJECTIVE ORIENTATION		
	Territorial	Sectoral
GOVERNANCE	<p><b>Top-down</b></p> <p><b>Territorial Contractualism</b>            Strategies: Europe 2020, Territorial Agenda, Common Strategic Framework            Instruments: National contracts, programmes</p>	<p><b>Sectoral Functionalism</b>            Strategies: Europe 2020, sectoral strategies            Instruments: Centralised EU Funds, sectoral policies</p>
	<p><b>Bottom-up</b></p> <p><b>Territorial Experimentalism/Pragmatism</b>            Strategies: Europe 2020, Territorial Agenda, Common Strategic Framework            Instruments: National reference frameworks, territorial pacts, programmes</p>	<p><b>Sectoral Coordination</b>            Strategies: Europe 2020, sectoral strategies            Instruments: Open Method of Coordination, National Reform Programmes</p>

Source: Mendez, Bachtler and Wishlade, 2011, p 35

<sup>9</sup> Mendez, C., Bachtler, J. and Wishlade, F. (2011) Comparative study on the visions and options for Cohesion Policy after 2013, Study commissioned by the European Parliament (IP/B/REGI/IC/2010-029) <http://www.europarl.europa.eu/committees/en/studies.html>

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