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Inspire Policy Making with Territorial Evidence

POLICY BRIEF

Supporting change in territorial governance and spatial planning

Insights from the ReSSI projects



Questions of territorial governance are likely to be very important in the next phase of the European project. The overarching objective of the European Commission's Green Deal will require models of territorial development that bring together stakeholders across governance levels. To deliver the transformations required as part of the Green Deal investments to reduce emissions and decouple economic growth from resource use, strategies will need to be implemented at a range of scales. To ensure that investments from the Sustainable Europe Investment Plan (SEIP) and Just Transition Mechanism (JTM) create the desired impact, it will be essential for states to ensure institutional capacity to coordinate stakeholders.

Promoting local and regional development is a common objective of EU Member States, as well as a component of EU cohesion policy. The European Commission has set the objective of promoting development that is sustainable (environmentally friendly and able to provide long-term benefits), inclusive (improving employment, involvement and integration) and smart (innovation driven). The Territorial Agenda 2030 provides the framework for action for spatial planning, territorial development and/or territorial cohesion, crucially calling for a strengthening of the territorial dimension of policies to create this inclusive and sustainable future. It is recognised that regional and local policymakers have an important role in delivering these outcomes. However, the importance of local and regional actors is being increasingly recognised in a context of ongoing changes to territorial governance and spatial planning systems.

This policy brief draws on the findings of a set of ESPON projects analysing regional strategies for sustainable and inclusive territorial development – Regional Strategies for Sustainable and Inclusive Territorial Development (ReSSI) (ESPON, 2018), ReSSI – Estonia (ESPON, 2021) and ReSSI – Latvia (ESPON, 2021). These projects set out to explore practices for aligning the evolving territorial governance frameworks with the emerging logics of, and challenges in, local and regional development. There was a particular focus on addressing issues of institutional capacity to build broad circles of cooperation with diverse stakeholders, and on related capacity-building policies, which are central to the redefinition of governance structures and procedures.

KEY POLICY MESSAGES

Territorial development policies at local and regional levels should strive to:

- Recognise the key role played by regional and local authorities as brokers, with the ability to bring together territorial development stakeholders from different scales and backgrounds.
- Develop regional strategy documents to help link sectoral needs to funding opportunities, to improve coordination between local needs and national policies.
- Promote regions and cities as test beds for product testing and market development, building and developing relationships with local businesses, and supporting real-world product and service rollouts.
- Engage stakeholders by constructing shared visions of common futures, translating existing knowledge into meanings and possible actions, rather than re-inventing strategies with each wave of funding or change in governance. Visual representations of what could be achieved could be especially effective in supporting this.
- Keep momentum, by seeking funding opportunities. This requires a focus on outcomes rather than just plans or strategies. To do this, policymakers should focus on complementary projects in their chosen sectors.

Building on these policy recommendations, and to support the Territorial Agenda 2030, future cohesion policy should focus on:

- Continuing to support the design and implementation of polycentric models of territorial development, including place-based strategies that recognise functional regions.
- Promoting coordination through intensified dialogue across local and regional authorities, for example by making coordination a part of development projects' criteria and evaluation.
- Promoting capacity building in local and regional authorities, for example by requesting that local and regional authorities nominate coordinating officers.
- Continuing to finance pan-European programmes, aimed at developing policymaking and implementation capacities of national, regional and local stakeholders.

1 Promoting territorial development in the European Union: regional strategies

This chapter discusses the promotion of territorial development in the EU. After a brief outline of regional governance in the EU, important challenges and opportunities faced by European cities and regions are discussed. The chapter then introduces the framework of regional strategies for territorial development that resulted from the Regional Strategies for Sustainable and Inclusive Territorial Development (ReSSI) project, followed by the findings of the case studies analysed in the ReSSI, ReSSI – Estonia (ReSSI-EE) and ReSSI – Latvia (ReSSI-LV) projects.

1.1 Regional governance in the European Union

Regional governance arrangements in Europe vary across each nation state. However, it is possible to group those arrangements into rational typologies. The best-known typology of spatial planning systems in Europe is provided by the *EU Compendium of Spatial Planning Systems and Policies* (CEC, 1997). This typology suggests that there are four ideal types or ‘traditions¹ of spatial planning’ in Europe: (1) a comprehensive integrated approach; (2) a regional economic approach; (3) land use regulation; and (4) urbanism.² The EU compendium recognises that some countries may exhibit a strong tendency towards one tradition while others may exhibit a more complex combination of types. This aspect was also stressed in a later extension of the typology (ESPON, 2007).

While there are a variety of typologies of regional governance in the EU, the fundamental aspect that policymakers need to consider is the variegated nature of the arrangements in place. Policies need to account for this diversity, while engaging and supporting regional stakeholders across the duration of the programmes. Failure to do so may result in unfair and uneven implementation across European regions, which goes against the cohesion principles.

1.2 Opportunities and challenges for European cities and regions

Challenges and opportunities for European cities and regions have arisen from a number of drivers, such as long-term changes in the economy and society, and crises such as the 2008 financial crisis and the COVID-19 pandemic. These cause sectoral challenges and opportunities, with distinct territorial impacts on cohesion and sustainability. They are also powerful drivers of change in governance regimes. The variegated nature of political priorities and governance regimes across the EU influences the ability of cities and regions to address these changes, but also the ways in which they explore opportunities and overcome threats.

New opportunities are, however, also emerging. Increasing cooperation among European institutions and stakeholders, including intergovernmental organisations, is necessary to improve efficiency and decision-making processes, and to coordinate actions to promote the smart, sustainable and inclusive development of European regions. More cooperation is needed to enhance service provision at a functional economic geography, rather than administrative, scale. There is a growing space for experimental approaches to integrated local development, which draw on local strengths, resources and knowledge to promote resilient, sustainable and smart growth. Regional and local authorities have significant powers in domains such as land-use planning, energy provision, transport, and waste and water services, and can team up and scale up these services more efficiently to the population. Private actors should also be engaged in local and regional governance, through public–private partnership agreements or other institutional arrangements that unleash creativity and innovation. Such arrangements provide the opportunity to deepen the involvement and participation of civil society, ensuring more inclusive economic development.

¹ The term ‘tradition’ is used to emphasise that forms of spatial planning are deeply embedded in the complex historical conditions of particular places.

² Detailed analysis of the characteristics of each of the four types is outside the scope of this brief but is available at <http://aei.pitt.edu/99138/1/28.pdf>

Overall, the main challenges and opportunities, operating in tandem and across various spatial scales, include the following.

- **Increased exposure to globalisation and structural changes:** Globalisation has been shown to have differentiated spatial impacts. Regions and urban agglomerations in the core of the EU benefit from more integrated transport systems, higher concentrations of skilled labour and highly competitive firms generating high revenues, whereas middle- and low-income cities/regions face stiff competition from lower-cost locations outside Europe and lack the resources to upgrade into value added activities. Nevertheless, institutions and the quality of government can make a difference in a global economy, favouring the business environment and innovation, and underpinning higher economic growth, job creation and knowledge dynamics.
- **The effect of the COVID-19 crisis:** The coronavirus crisis has had unprecedented economic, social and personal impacts across the EU. The impacts have also differed across geographies, industries and sectors. In the process, local and regional authorities may have had to cede control of the response to national and EU-wide bodies, given the gravity of the situation and the need to deploy strong command-and-control instruments. However, as the crisis has progressed, and especially in view of the extremely successful vaccination efforts, attention has turned to the post-COVID-19 recovery. The EU has approved the NextGenerationEU investment and recovery plan, which alongside commitments from the EU's long-term budget add up to the largest stimulus package in the bloc's history, at a total of EUR 2.018 trillion (European Commission, 2021). Regional and local authorities should be supported in making the most of the available support to rebuild and transform Europe's economy and society.
- **EU integration and disintegration:** The *White Paper on the Future of Europe* presents five scenarios for future EU integration (European Commission, 2017). Only one of the scenarios (Doing much more together) suggests more integration across more policy areas in Europe, while another (Carrying on) focuses on implementing and upgrading the current reform agenda. The remaining scenarios (Nothing but the Single Market; Those who want to do more; and Doing less more efficiently) suggest lower levels of cohesion across Europe. Although Brexit does not appear to have had a strong impact on EU-27 cohesion, challenges continue to emerge from Eurosceptic populist politicians across the continent. Europe's response to the post-COVID-19 period (including NextGenerationEU, the SEIP and the JTM) presents an opportunity to reinforce the EU's legitimacy and strengthen integration.
- **Achieving more inclusive innovation:** Innovation has played a fundamental role in the economic growth process in the EU. However, many initiatives fail to deliver relevant results, especially in peripheral regions. Moreover, innovation dynamics favour large private actors, and it is often difficult to realise spillovers and other positive externalities in the short to medium term. On the other hand, experimentation is unleashing new ideas to promote more inclusive growth.
- **Demographic and social challenges:** The EU's strategy for smart, sustainable and inclusive growth aims to reduce the number of people at risk of poverty or social exclusion. With 40 % of the EU population living in cities, this goal can be met only if poverty and social exclusion are reduced in cities as well. City councils can provide measures to promote social inclusion and equal opportunities by improving active participation and employability; combating poverty and discrimination; enhancing access to affordable healthcare and social services; and promoting social entrepreneurship.
- **Climate change and environmental risks:** The impact of climate change will differ considerably from one region to another. This implies a need to adopt adaptive measures tailored to the local context. Both technology and public policy are necessary elements in this, but they need to be accompanied by a change in cultural and behavioural norms and practices. The approval of the SEIP looks set to support the technological change, while the JTM looks set to address the distributional effects of the transition. Regional and local authorities should be supported in making the most of the available support.
- **Energy challenges:** A particularly difficult societal challenge is reducing the consumption of fossil fuels to address the threat of climate change. Energy-efficient cities and regions require the development of renewable energy portfolios according to indigenous resources. Given that people continue to aspire to standards of living that are energy intensive, there will be a continually rising demand for energy, particularly in urban areas. There is also a demand for reconfiguring the energy mix and increasing efficiency, requiring political and social leadership.
- **Loss of biodiversity and vulnerable natural, landscape and cultural heritage:** The actions required to increase ecosystem services differ between places, according to specific local features. Nevertheless, the demand for ecosystem services tends to rise as population density increases, mainly in city regions. Cities and regions must support the installation of green infrastructure (comprising natural, semi-natural and artificial ecosystems), as this can provide ecological, economic and social benefits through natural means. It can deliver health-related benefits such as clean air, better water quality and a greater sense of community, and combat social exclusion and isolation.

1.3 The ReSSI framework of regional strategies for promoting territorial development

The original ReSSI project explored best practices in local and regional development, focusing on how policymakers can cooperate with diverse stakeholders. This was achieved through four nested case studies, in Coventry (UK); the Region of Southern Denmark; Piedmont (Italy); and Oeiras (Portugal). This allowed the context to be foregrounded, providing an explanatory lens on why given territorial development approaches may have different consequences in different projects.

These case studies provided the context to examine how inclusive development strategies can be developed, given the changing role of regional authorities and the proliferation of stakeholders in functional territories. They also allowed for the identification of good practices in delivering economic development policies in these changing territorial frameworks. Additional countries were explored through ReSSI-EE and ReSSI-LV, although the research approach taken differed. In these cases, the ReSSI framework for territorial development was employed to analyse vertical and horizontal coordination in local and regional planning. The main objectives of these projects were to situate the target countries' planning regimes in the EU context, and to understand how vertical and horizontal coordination can be improved.

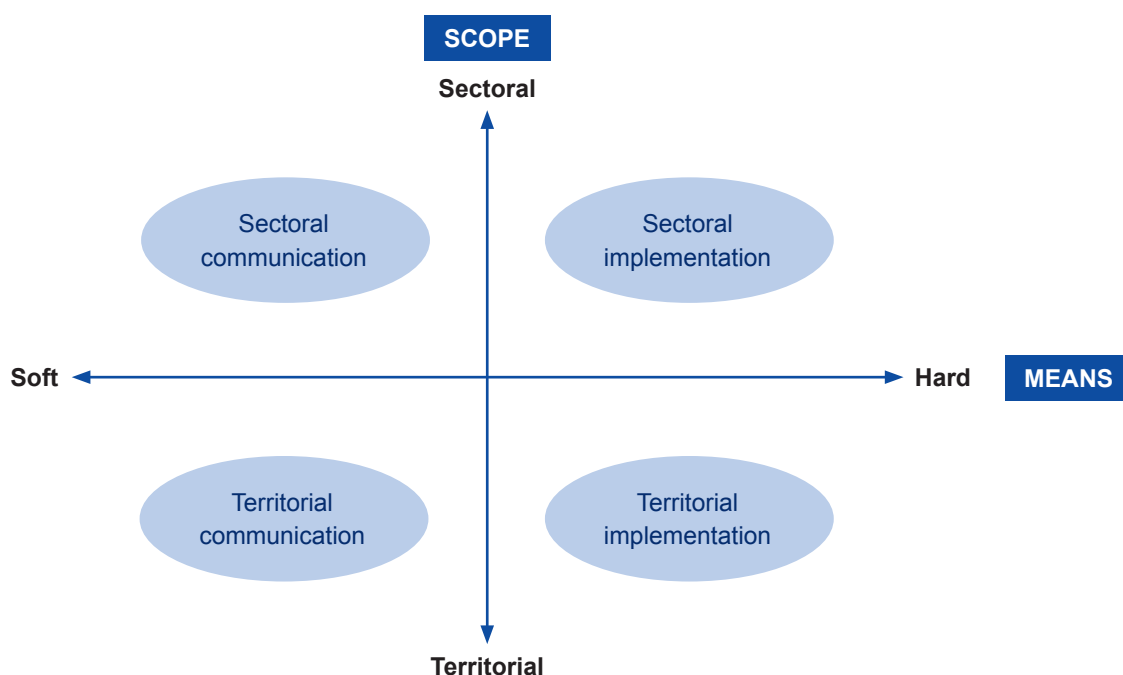
Data were collected for these three ReSSI projects through document analysis and semi-structured interviews.

Document analysis was used to identify important trends and policies in terms of local and regional economic development in each of the cases. Interviews were conducted with stakeholders from across the governance scales (national, regional and local) and from businesses, to understand interviewees' perceptions and experiences of territorial governance and coordination.

The varied nature of the cases involved in the different ReSSI projects means that it is challenging to make general recommendations on territorial development at the local and regional levels. Nevertheless, two key dimensions emerged from the analysis in all three ReSSI projects, which promote a more systematic understanding of the cases: the scope of the cases and the means used to bring them into reality. These two variables are independent, but together they help to understand the space of challenges and opportunities faced when trying to promote smart, sustainable and inclusive development in European regions.

The cases show pronounced diversity in scope – either supporting given sectors, or focusing on a more pronounced territorial approach that encompasses multiple sectors. Soft (communicative) and hard (financial and regulatory) means are applied, sometimes exclusively, but often in a complementary way. Combining these two characteristics leads to four ideal (i.e. desirable) types or strategies for regional territorial development: (1) sectoral communication, (2) sectoral implementation, (3) territorial communication and (4) territorial implementation. Figure 1 shows the relationship between these dimensions, and how the four ideal strategies are constituted.

Figure 1
The ReSSI model of territorial development strategies



In **sectoral implementation** contexts, local and regional authorities use finance or regulation in support of strategic industries or sectors. However, there is a risk that the benefits of projects may not accrue to the region. In these cases, the focus should be on turning investments into benefits for the region.

- Use available funding to develop coordination and synergies with other regional stakeholders, especially businesses.
- Understand that local and regional government is a source of know-how: Local government officials have knowledge of how to align players, strategies and funding across local, regional, national and European scales. Knowledge of how to do this often resides in individuals. It is important to nurture and support this embedded knowledge.

In **territorial communication** contexts, stakeholders try to develop the region as a whole, but do not have the financial or regulatory means to do so. They should focus on communication and alliance building.

- Align strategies, by ensuring local and regional strategies fit with national and European objectives.
- Use knowledge as an incentive for cooperation, such as providing up-to-date, useful knowledge about the region as a mechanism to strengthen alliances and build trust.
- Share – and show – the potential, by helping translate that knowledge into action. Visual tools, such as maps, can create excitement and build shared objectives.

In **territorial implementation** contexts, regional governments have financial and/or regulatory power at their disposal, and a focus on developing the region. In these cases, they should focus on the following.

- Maintain momentum through follow-up projects: Strategy making is often set off by taking advantage of funding opportunities. Follow-up projects can bring in new energy and new stakeholders.
- Align strategies: Build strong relationships with European or national funders, and align regional strategies, projects and stakeholders to funders' priorities.
- Give pragmatic support: Supporting independent and complementary projects can be more productive than focusing only on a predefined 'regional strategy'.

Finally, **sectoral communication** refers to contexts in which regional governments do not have the financial or regulatory

means to enact territorial development and decide to focus on specific strategic sectors. Regional governments are therefore involved in communicating and building alliances with stakeholders in the sector. Although no examples of strategic communication were encountered in either the ReSSI project or its follow-ups, it seems possible that the strategy exists in practice. Some (tentative) suggestions for authorities seeking to follow this strategy include the following.

- Understand dependencies: Focusing on a sector requires an understanding of the supply and value chains and an appreciation of upstream suppliers and downstream beneficiaries of the sector, and knowledge of inputs necessary for continued competitiveness.
- Align stakeholders: Aiding the sector to address commercial, social, environmental and economic concerns will help improve its legitimacy, access to markets, access to resources and support from regulators.
- Help translate knowledge into action: Producing visual tools to illustrate the vision for the sector.

The four regional strategies for territorial development shown in Figure 1 consist of ideal types. However, actual regional strategies may result in a combination of the policy recommendations above, depending on institutional contexts and the objectives of stakeholders. The next section presents the findings of the case studies analysed in the ReSSI, ReSSI-EE and ReSSI-LV projects.

1.4 Strategies for supporting territorial development

This section highlights the key findings of the different case studies included in the ReSSI projects. These findings chime with core elements of the Territorial Agenda 2030, such as support for more balanced territorial development, recognising the unique potential of territories with specific geographies, and supporting an integrated multilevel governance approach based on dialogue to support development in functional regions. Findings from each of the ReSSI case studies reinforce this agenda, specifically the importance of greater dialogue between stakeholders in forming place-based strategies.

The Coventry (UK) case study constituted an example of sectoral implementation.

CASE STUDY

Coventry, UK

Coventry City Council identified the automotive industry as a regional priority for economic development, in accordance with the priorities set out by both the Coventry & Warwickshire Local Enterprise Partnership and the West Midlands Combined Authority (WMCA). The approach has been to support the sector in general rather than focusing on a specific aspect or technology. It followed a sectoral implementation strategy (Figure 1).

Coventry City Council's support for the local automotive industry demonstrates how strategic sectoral development documents drawn up by local authorities can support vertical coordination. The council drew up a plan to support the sector, which included understanding current key stakeholders and their needs, and funding sources, and foresight of technology trends that will require investment. The council then contributed to the strategic documents of the two subnational governance bodies of which it is part, the Coventry & Warwickshire Local Enterprise Partnership (CWLEP) and the West Midlands Combined Authority (WMCA). Support for advanced manufacturing, and specifically the automotive sector, became a pillar of the strategies of both the CWLEP and the WMCA.

Three main findings emerged from the analysis:

- The local authority remains the most important governance stakeholder in local and regional development projects. Although the emergent combined authority WMCA has the potential to add a pan-regional dimension, it is still at a formative stage of development.
- One of the main strengths of the project was the city council's role as a repository of knowledge about 'how to get things done'. This 'tacit' knowledge resides in its personnel and cannot be easily summed up and passed on.
- Coventry provided a real-life setting to develop and test innovative technologies, as well as understand the public's reaction to new products and services. This provided significant value added to businesses and funding bodies.

In contrast, the Region of Southern Denmark presented an example of territorial communication.

CASE STUDY

Region of Southern Denmark

The Region of Southern Denmark co-developed a regional strategy with its 22 municipalities, as well as a series of sub-regional development agreements with subsets of those municipalities. The strategy is a requirement of central government and the main strategic means for the regional authority. The development of the strategy also included sectoral elements, all of which revolve around partnerships with organisations that do not exclusively work for the regional strategy, but which are important entities with which to discuss a regional agenda in their field. Constitutionally, the Region of Southern Denmark does not possess the executive powers to deliver the strategy. As a result, its approach was twofold: first, it conducted a series of systematic territorial analyses, collecting data on myriad indicators. Second, it reconfigured its place in the networks of stakeholders as a knowledge broker and provider. The region proceeded to make use of its role to provide more than knowledge, such as maps and statistical indicators; instead, it drew up plans based on those data that posit possible future developments, focused on imagery and persuasive communication. The region produced and distributed a periodical magazine for stakeholders, framing the discussion around how given policies can contribute to a shared objective of ‘the good life’ for everyone.

The following findings emerged from the analysis.

- The regional authority sees its role as a key information provider to the wider network of local and regional stakeholders.
- This communicative approach provides the various stakeholders with information about territorial trends and problems, but it has also become an important mechanism for obtaining the stakeholders’ attention and keeping them engaged.
- This allows the regional authority to manoeuvre in a landscape characterised by diverse subregional alliances, and to act as a facilitator in coordinating strategies.

Finally, the case studies from the Piedmont region, Italy, and the municipality of Oeiras, Portugal, consisted of distinct examples of territorial implementation.

CASE STUDY
Piedmont, Italy

The Piedmont region focused very specifically on territorial development, through successive rounds of funding for extensive projects, using a territorial implementation strategy. The Corona Verde programme demonstrates how successive funding rounds can be used to cement long-term partnerships, improving horizontal coordination. The programme involved 93 municipalities located around Turin, which cooperated in the creation and maintenance of a network of ecological corridors. The cooperation started in the 1990s and evolved over three distinct phases. In the first phase, the programme involved 24 municipalities and consisted of a collection of projects, mostly financed through EU structural funds (programming period 2000–2006). In this first phase the project contributed to the consolidation of a new development vision for Turin and its metropolitan area, based on environmental quality and quality of life. In the second phase, during the programming period 2007–2013, Corona Verde was funded through a dedicated axis of the Piedmont Regional Operative Programme, mostly financed through the European Regional Development Fund (ERDF). To enhance its internal coherence and impacts, in 2007 the regional authority commissioned the development of a Corona Verde masterplan by a group of experts. During this phase, Corona Verde became part of the wider regional development strategy. This phase also saw the enlargement of the project area, to include all 93 municipalities and 38 stakeholders of different types (public entities, and trade, professional and cultural associations). In the third phase, during the programming period 2014–2020, Corona Verde no longer benefited from a Regional Operative Programme-dedicated axis. The actors involved in the project were required to look for and integrate alternative sources of funding to promote and realise interventions to maintain the momentum of the strategy. Throughout the three phases, the main role of the Piedmont region was to redefine the governance structure and its role in the Corona Verde process, to be seen as a facilitator for connections among stakeholders, as well as a broker of information concerning funding opportunities.

The following findings emerged from the analysis.

- The promotion of territorial development is complicated by the particular institutional configuration that characterises the region.
 - The creation of the Metropolitan City of Turin and the drastic reduction in resources and responsibilities of the remaining provinces are driving the regional authority to pursue a twofold approach to promoting the development of its territory.
 - The region needs to adapt to the emergence of an institutional subject that will play a relevant role in the territorial development of the territory of the former province of Turin.
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CASE STUDY
Municipality of Oeiras, Portugal

The ReSSI research focused on analysing the implementation of a strategic project – the ‘Green and Blue Corridor’ project – to create a large park shared by three contiguous parishes. Its objective was to improve connectivity in the suburban territory and improve several environmental and cultural assets. It was financed mostly through successive rounds of EU funds and followed a territorial implementation strategy.

The following findings emerged from the analysis.

- In the absence of a regional authority, governance structures can be put in place to promote cooperation among local authorities in intermunicipal projects. Intermunicipal collaboration has the potential to unlock the underutilised potential and capabilities contained at sub-national level.
 - In these ‘collaborations among equals’, each stakeholder holds responsibility only for the interventions in its own territory. This may lead to uneven development and insufficient monitoring of the impacts and outcomes of the project.
 - Regional governance is still poorly developed, and the management of intermunicipal projects requires working around dysfunctional administrative divisions, different levels of government and overlapping jurisdictions.
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As noted, the ReSSI-EE and ReSSI-LV analyses differed from those in the original ReSSI project by focusing on the respective countries' regional governance systems, rather than specific projects. However, their use of the ReSSI framework for regional territorial development mean that the findings of the projects are relevant to this discussion. The research produced the following findings.

CASE STUDY

Regional governance in Estonia

Estonia has a tradition of strong, comprehensive planning, but a series of reforms has removed the regional governance level, raising questions about governance at subnational level. These changes point to a need to develop coordination mechanisms, both vertically and horizontally, that support existing initiatives and stakeholders.

The following findings emerged from the analysis.

- The importance of vertical coordination: There are challenges in coordinating regional policy across the state, county and municipal levels. These difficulties are likely to be especially difficult in a country where, traditionally, subnational policymakers have expected very comprehensive plans and guidance from central government.
 - Institutional capacity at subnational level: Relatively small regional development organisations are constrained by a lack of human and financial resources, as well as their inability or lack of will to communicate across county lines. Regional development organisations in Estonia thus appear to be mostly 'talk shops' at present, formulating regional development plans but having only limited impact on national policy, or how projects are delivered locally.
 - Building common ideas of territorial development: Local governments, even where coordination for policy implementation is difficult, have successfully employed communicative means to engage stakeholders. This engagement, in turn, can help start discussions around how to improve outcomes related to the policy in question.
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CASE STUDY

Regional governance in Latvia

Latvia has a tradition of strong vertical and horizontal cooperation across various levels of government, a small number of comparatively large municipalities, and planning regions that engage both central government and the municipal governments. Riga, as the largest city in the Baltic region, is also a strong asset. However, the funding available for regional and municipal development is comparatively low, and the country suffers from strong regional disparities. Ongoing territorial administration reform, and the new Regional Development Guidelines for 2021–2027, represent attempts to address these issues.

The following findings emerged from the analysis.

- Horizontal coordination was identified as an aspect for improvement in regional and local development. Despite the comprehensive nature of planning in Latvia, horizontal coordination is not mandated. This suggests that there is scope to consider how financial instruments for regional and local development can provide incentives for horizontal coordination.
 - There is evidence that local and regional authorities have been attempting to engage civil society in territorial development. This seems to work especially well in limited situations – such as funding applications – but less so in terms of exploring wider views of the objectives for an area. Some of this may be related to the fact that the information shared with stakeholders is, very often, technical in nature. There is little evidence that local or regional authorities are successfully showcasing their vision for territorial development.
 - Small local authorities, constrained by budget and staffing levels, struggle to deliver the stated objectives of planning guidelines. Although the ongoing territorial administration reform process looks set to help address these issues, it will be necessary to implement policies that ensure that the new local authorities allocate the necessary staffing and resources to territorial development.
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2 Conclusions and recommendations

The findings of the three ReSSI projects indicate that the promotion of territorial development should continue to follow a polycentric and place-based approach that recognises that local and regional policymakers are best equipped to understand, plan and implement strategies that benefit their areas of action. They are more likely to understand important assets in their territory, and be equipped to work within existing institutional frameworks and limitations.

At the same time, it is important to develop mechanisms that promote horizontal and vertical coordination among territorial governance stakeholders. Administrative boundaries are increasingly poor proxies for successful policy, as influences come to bear on areas that originate from outside the administrative divisions. In addition, growing numbers of stakeholders are demanding that they have a say in the development of their local area. Including these various contributions is likely to allow for scarce resources to be combined for better outcomes.

2.1 Promoting regional territorial development through better coordination

ReSSI's policy recommendations were developed to provide guidance in situations of changing regional governance frameworks. The recommendations can be characterised as 'soft' instruments, with a focus on communicative strategies that go beyond providing stakeholders with information, seeking instead to obtain their attention and engagement. These approaches offer the following important advantages.

- They do not require legal instruments for implementation, making them easier and quicker to implement.
- They can be tested quickly, developed and withdrawn if necessary.
- They focus on communicative means that promote engagement and allow local and regional stakeholders to contribute their views and priorities.
- They seek to engage stakeholders, building institutional capacity.

In **sectoral implementation** contexts, regional stakeholders can use financial or regulatory means to deliver development, but run the risk that the benefits of projects may not accrue to the region. In these cases, regional and local actors should focus on the following.

- Recognising the important role of regional and local authorities as knowledge brokers: They are important brokers among private and other public sector stakeholders and provide a range of know-how on regional development.
- Developing regional strategy documents to help link sectoral needs to funding opportunities: To improve coordination between local needs and national policies, regional authorities should produce strategy documents that focus on tangible and specific sectoral development opportunities and how they can be financed. These aspects – sectoral development priorities and financing streams – should become a more explicit aspect of vertical coordination. This was demonstrated in the Coventry case study.
- Promoting the region as a test bed for product testing and market development: This can help build relationships with businesses interested in testing their products. The Coventry case study shows how this can be achieved.

In **territorial communication** contexts, stakeholders' actions have territorial development as their objective, but actors possess no financial or regulatory means to achieve their objectives. This suggests they must focus on communication and alliance building, to achieve the following.

- Facilitation: Knowledge provision can be used as a mechanism to strengthen alliances and build trust.
- Aligning strategies: Aligning subregional and regional strategies with national and EU-level perspectives may help build momentum.
- Moving from perceptions to concepts: It is important to translate existing knowledge into meanings and possible actions, rather than reinventing strategies with each wave of funding or change in governance. Visual representations of actions may be especially effective in supporting this. This was demonstrated in the Region of Southern Denmark case study.

In **territorial implementation** contexts, the stakeholders have financial and/or regulatory power at their disposal, and a focus on the territory. In these cases, regional and local stakeholder actions should focus on the following.

- Keeping momentum: Strategy making is often set off by taking advantage of funding opportunities. This requires a focus on outcomes rather than just plans or strategies. This was demonstrated in the Piedmont case study.

- **Aligning dimensions of governance:** The territory is a strong lever of the projects and strategies, underlining the importance of a place-based approach. Strong vertical relationships (European or national funding) should be accompanied by horizontal territorial strategies and projects.
- **Aligning strategies:** Aligning regional strategies with national and EU strategies may create opportunities for bottom-up processes and initiatives.
- **Mediation rather than integration:** Networking of complementary projects can operate as an alternative to, or alongside, a predefined 'regional integrated strategy'.
- Support should be continued for the design and implementation of local and regional strategies. The ReSSI projects consistently found that local and regional policymakers are best placed to understand the needs, priorities and preferences of a given area. Support for a polycentric and place-based model of local and regional development is likely to deliver more balanced territorial development.
- Coordination across local and regional authorities should be promoted, with increased dialogue, for example by making horizontal coordination a part of development projects' criteria and evaluation.
- Capacity building in local and regional authorities should be promoted to support integrated multilevel governance, for example by requesting that local and regional authorities nominate coordinating officers.
- Funding should be continued for pan-European programmes aimed at developing and strengthening the policymaking and implementation capacities of national, regional and local stakeholders.

2.2 Integrating coordination in cohesion policy

Building on the policy recommendations outlined in the previous section, there is potential for future cohesion policy to support the EU's core priorities and the Territorial Agenda 2030. Cohesion policy should focus on the following.

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