ESPON

Towards Better
Territorial Governance in Europe

A guide for practitioners, policy and decision makers

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Introduction

Why better territorial governance in Europe?

Territorial governance in Europe should be aimed at "turning territorial **diversities into strength"**, as the European Commission has keenly suggested by its 2008 "Green Paper on Territorial Cohesion" (ref. 1). This is also central to the ambitious **EU growth strategy for the coming decade, known as "Europe 2020"**, and aimed at making the EU a smart, sustainable and inclusive economy (ref. 2). The legislative proposals set up for the EU cohesion policy period 2014-20 envisage a Common Strategic Framework (CSF) that has to be implemented through the principles of "partnership and multi-level governance" to meet the **territorial challenges of smart, sustainable and inclusive growth** (ref. 3).

Traditionally, territorial governance has not been a prerogative of the EU. The contrary is true, since it is based on a diverse series of national spatial planning systems (ref. 4). However, long committed to Community integration, European countries have progressively experienced the need to share aims and methodologies for the management of **land and space, a primary resource for economic and social life**. The objective of economic, social and territorial cohesion, referred to in the EU Treaties, pushes in this direction. Well-known and official outcomes of this process – such as the ESDP (ref. 5) or more recent EU Territorial Agendas (ref. 6) – are just the tip of the iceberg. There are now a diverse range of spatial developments involving all levels of government and numerous non-governmental actors in Europe.

Increasingly, programmes and outcomes of EU cohesion policy (ref. 7), including transnational, cross-border and interregional activities of territorial cooperation and development practices in urban areas, are intertwined with an assortment of territorial governance processes at various administrative levels in all European countries. In such an evolving scenario, **a shared commitment for better territorial governance that respects diversity,** can be a positive-sum game for improving economic competitiveness and the quality of life in Europe and for fostering more balanced and effective EU integration.

Why a guide for practitioners, policy and decision makers?

The present guide is proposed on the basis of the ESPON TANGO research project's findings (ref. 8). One result is that three main kinds of resources can be particularly effective for orienting a complex process such as territorial governance, namely **practices, techniques and rules**.

For the aims of this guide, **practitioners** are identified as private or public professionals that are engaged in various roles concerning territorial governance

activities at different scales and/or cohesion policy programmes or projects in Europe.

Policy makers are usually public executives and officials in charge of territorial governance activities at various administrative levels in all EU countries. They may also have the responsibility to implement Cohesion Policy at the EU level (e.g. officials of the European Commission) or at national, regional and local levels in Member States. Policymaking techniques, applied through the elaboration of plans, programmes and projects, are their primary resource to address territorial governance processes.

Last but not least, **decision makers** are those appointed by democratic vote, such as members of the EU Parliament and national parliaments or regional and municipal councils. They are often in charge of ministerial or departmental roles that are related to territorial governance and to cohesion policy. Through their democratic mandate, they are the ones that can establish rules on territorial governance.

The overall conceptual framework

Several definitions of territorial governance are available in contemporary literature. They all have general value and vary according to the aspects on which they focus. Taking into account its own proactive aims and European scope, the ESPON TANGO research project describes territorial governance as the formulation and implementation of public policies, programmes and projects for the **development of a place/territory** by:
- co-ordinating the actions of actors and institutions;
- integrating relevant policy sectors;
- mobilising stakeholder participation;
- being adaptive to changing contexts;
- addressing the place-based/territorial specificities and characteristics.

These are considered "dimensions" of territorial governance characterising the processes which provide added value to achieving territorial cohesion. Moreover, *development* is particularly intended as balanced improvement in the efficiency, equality and environmental quality of a place/territory, which is in line with the aforementioned "Europe 2020" strategy.

These **dimensions** of territorial governance can be interpreted and promoted at the different **scales of action**. The aforementioned **interactive resources** – practices, techniques and rules – operate according to their own potentialities, within an expansive and complex framework of possibilities. As a result, the aim of better territorial governance in Europe can appear to be a real puzzle.

The "Rubikube" of territorial governance in Europe
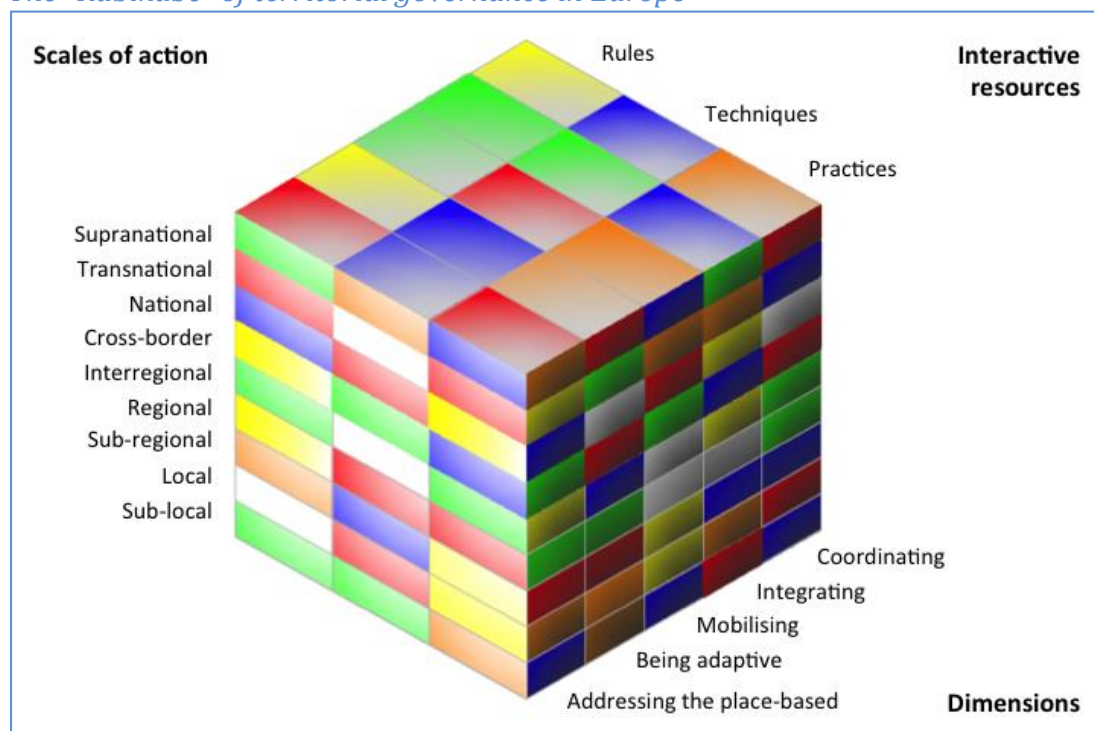
Like the well-known Rubik's Cube, better territorial governance in Europe is extremely complicated but possible. A further complexity is that **one single player cannot decide all moves**. However, each player also has to be aware that his/her own moves have the potential to cause more general changes in the overall framework.

How to use this guide

The ESPON TANGO research project has developed a series of **conceptual analyses** concerning territorial governance in Europe – including existing typologies, usable indicators and potentials for policy transfer. Consistent with the evidence-based approach inspired by the ESPON programme (ref. 9), lessons learned through the processes and outcomes of **twelve case studies** have been thoroughly developed. These are not necessarily intended as "best practices" (a definition that hides a lot of traps), but rather as a patchwork sample of more or less successful storylines showing potentials and challenges for current territorial governance in Europe.
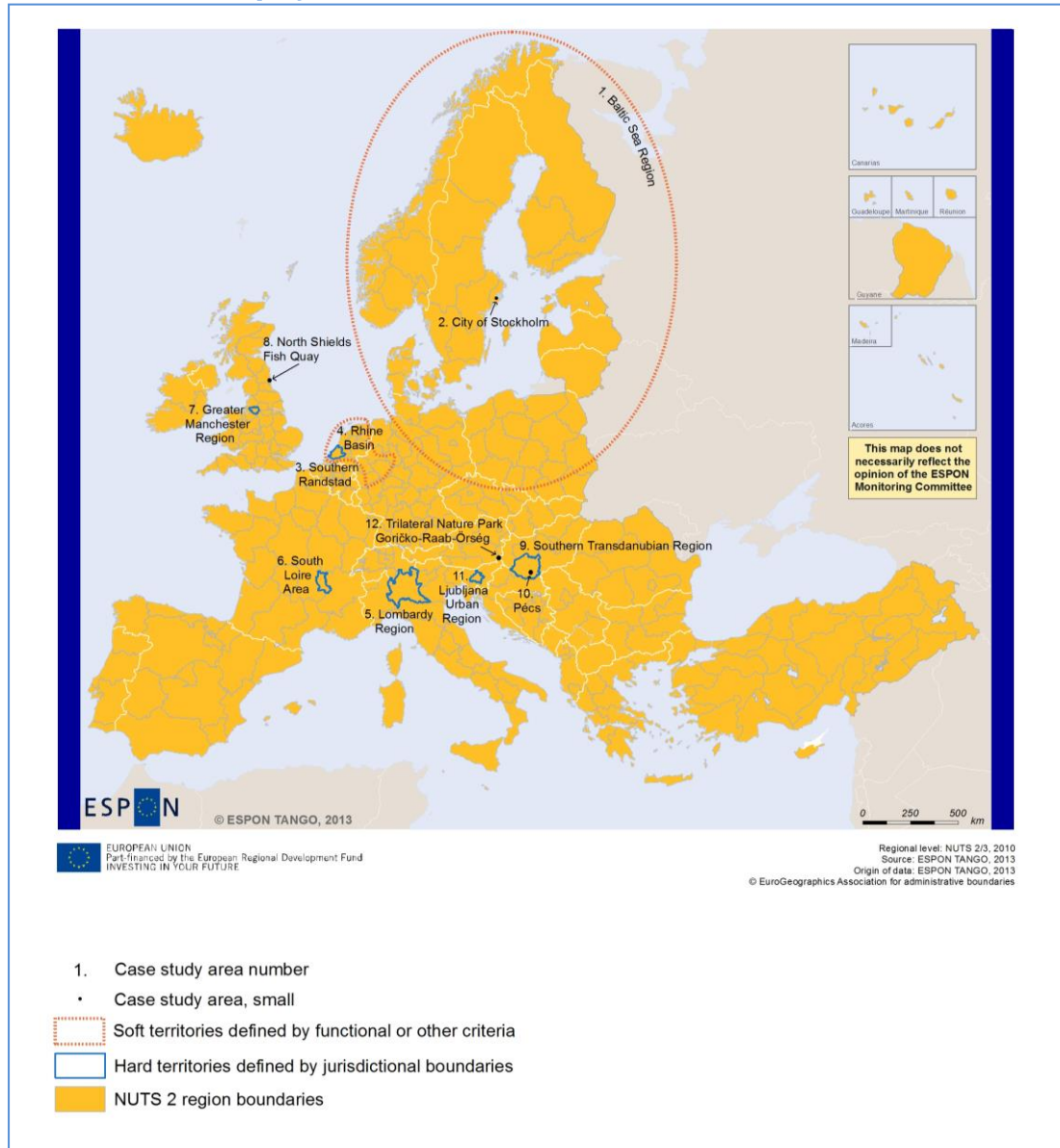
The research project's practice-oriented findings are organised in this guide as follows:

- Section 1 highlights **preliminary ideas** that shape the current discourse on territorial governance in Europe, which may be of interest for anyone concerned by this matter.
- Section 2 is focused on **practices** that may improve territorial governance in Europe and is addressed to practitioners in particular.
- Section 3 suggests **techniques and methodologies** that can be helpful for the action of policy makers.
- Section 4 sums up to the attention of policy makers the main **kinds of rules** that could improve territorial governance in Europe.
- Section 5 underlines some **final reminders and warnings** concerning each dimension of territorial governance, as defined above.

Additional resources for the reader include **summaries of case studies** reported in 12 boxes with illustrations, and the **list of references** to documents or webpages of public domain at the end of the guide. Respective cross-references in the text – namely "box [no.]" and "ref. [no.]", as made in this introduction – highlight the relevant connections.

Structure of the guide with respect to the ESPON TANGO project
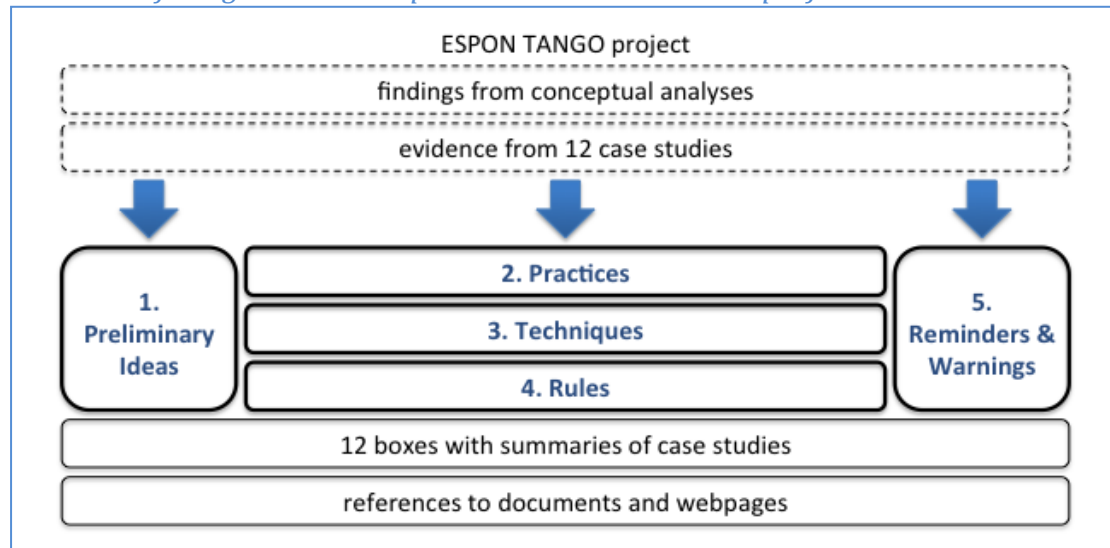
With respect to this framework, each individual player in the complicated game of improving territorial governance in Europe – and especially practitioners, policy and decision makers at various levels of action – can **choose a path for reading and learning** that is suitable to her/his own needs.

As a final remark in this introduction, the reader should be aware that all indications and suggestions of this guide have **a general value only**. Contexts differ greatly across Europe; principles and aims can be shared in general, but their applications must vary to be effective in specific cases. An overall task for anyone concerned with better territorial governance in Europe is to **facilitate local engagement in common aims and principles**, thus "turning territorial diversities into strength".

1. Preliminary ideas for better territorial governance

Numerous features are more commonly evoked to describe territorial governance processes. Amongst others, they include the responsibility of local actors and the question of general interest, not only defined "from above", but co-constructed by the actors of the territory that must "anchor" locally guidelines defined above; and the need for dialogue between decision makers, policy makers and the civil society. Additional features include the need for consistency and interaction between decisions and policies at different institutional and territorial levels; the changing role of public actors and the need for accountability, transparency, evaluation and monitoring; and the growing importance of multi-level processes that lead to interdependent decisions.

These features have led to some of the main ideas of good territorial governance formulated in the ESPON TANGO research project (ref. 8). They refer in principle to **horizontal and vertical coordination** and **integration** among relevant policy sectors, actors and institutions, particularly considering multi-level interplay and **stakeholder participation** to ensure more effective and democratic decision-making processes. They also include **adaptability to changing contexts**, strictly related to the ability of every social system to self-organise and learn; and adopting a **place-based approach**, promoting the assumption that territorial context really matters.

Based on main insights from case studies the following four domains of attention, **place-based motivation**, place-based **commitment**, **integrative rationale** and **pro-active leadership** can be extracted.

1.1 Place-based motivation

"Place-based" is an expression that entered EU jargon during the preparation of a reformed cohesion policy for the 2014-20 period. According to the Barca Report (ref. 10), a place-based approach to development policies "refers both to the context-dependent nature of the efficiency and equity problems that the policy deals with, and to the fact that the design of integrated interventions must be tailored to places, since it largely depends on the knowledge and preferences of people living in it" (pp. 5-6).

In general terms, a place-based approach refers to two main aspects related to the awareness of territory. One is the change in the levels of government, with the **shift of the centre of gravity from the national to the local level** and the implementation of decentralisation and devolution processes. For instance, the Pécs candidature as the European Capital of Culture has shown that regionalism and the bottom-up spirit were basic conceptual requirements in the tendering process (box 9). The other aspect concerns the **territorial context as a main**

resource to improve the effectiveness of territorial governance, whereby context is understood in terms of its social, cultural, and institutional characteristics. In this view, territory and related terms (place, space, territoriality...) are operational concepts through which to promote good territorial governance.

Three main issues are related to these concepts:
- the **identification of the appropriate territory** for the regulation of economic and social dynamics, which does not necessarily correspond to the territories defined by political and/or administrative boundaries;
- the **identification of a place-based general interest** not in the abstract terms, but with reference to the specific characters of different places and to the negotiation between local interests;
- the **differentiation of territorial governance** in terms of values promoted and objectives to be pursued, in order to make it tailored on the specific characteristics of different places and on the specific needs and interests of local actors.

These issues are well exemplified by the cross-border and transnational nature of water management in the Rhine Basin (box 7). Another useful example is the neighbourhood planning experience in North Shields Fish Quay (box 6), where considering the identification of the planning area's boundaries as part of the territorial governance process ensured the strong relations to territory.

1.2 Place-based commitment

Place-based motivation is a necessary condition but insufficient in itself. The place-based approach is a policy choice undertaken to ensure greater effectiveness of territorial governance, aimed to combine the principles of competitiveness and cohesion, the promotion of economic development and the pursuit of social equity. To be implemented, it requires a strong political commitment that can lean on the following aspects.

The first aspect refers to the **political support for knowledge of the territory** upon which to implement evidence-based policies. This is particularly important to the delimitation of areas that define territorial governance and the identification of local characteristics upon which to promote territorial asset-based development processes. The territorial governance experience for resource efficiency in Stockholm (box 1) highlights that the local community has realised the strengths of its territorial specificities, reflected in the promotion of its green profile.

The second aspect is related to the strong and explicit political commitment for the **construction of a shared spatial vision** among a plurality of actors and interests. The formulation of a shared spatial vision helps to identify problems and objectives to be pursued through territorial governance, as shown in the process of climate change adaptation in the Baltic Sea Region (box 8), where working towards a concrete territorial goal has contributed to promote synergy.

The third aspect concerns the political support connected to the coordination of the actors involved in territorial governance. More specifically, **horizontal spatial coordination** between levels of government and between different policy sectors may help, as in the case of the South Loire's *Schéma de Cohérence Territoriale* (box 11), to formulate a framework of cross-sector objectives. **Vertical spatial coordination** concerns the relationship between policy instruments defined and implemented at different levels of government, as in the case of Trilateral Nature Park Goričko-Raab-Örség in the Alpine Adriatic area (box 5). Here, the political support for cooperation across levels played a main role in implementing multi-level governance actions.

1.3 Integrative rationale

The adoption of an integrated rationale is needed to ensure that the territorial governance integration across sectors, tiers of government and territories is both effective and able to adapt to changing socio-economic and spatial contexts. The adoption of an integrative rationale requires the **definition of a flexible and soft method of integration** that is, at the same time, multi-sectoral, multi-level and territorial.

Box 2 – Integration between public transport and urban development in the metropolitan region of Rotterdam-The Hague

The StedenbaanPlus initiative is situated in the western part of the Netherlands in the "south wing" of the Randstad. It aims to promote greater **integration between public transport and urban development**. The initiative combines two main strategies: (1) the creation of a high-frequency light-rail transport system on the existing railway network; and (2) a regionally coordinated programme of urban development around railway stations (see Figure). The initiative started in the early 2000s and has since been expanded in scope. One of the initiative's main features is the coordination of different tiers of decision-making via a **common platform** ("one government voice towards the market"). The governance arrangements in the "south wing" of the Randstad are complex where different layers and responsibilities of government coincide. The StedenbaanPlus initiative is an attempt to deal with this complexity. In addition to governmental bodies, it involves non-government actors: the rail infrastructure providers. This is why the initiative takes the form of a platform rather than a new governmental body. As such, the initiative is essentially a partnership arrangement between various public and private parties that operates with few statutory powers or instruments at its disposal. Instead, it relies on existing policy instruments from the different levels of government involved in the initiative, such as the provincial structural vision (*provinciale structuurvisie*) and the provincial land-use regulations (*provinciale verordening*). The StedenbaanPlus initiative is therefore a form of **soft governance**, primarily with a coordinating and information-provision role. It employs powers of argument and persuasion to reach agreements between the actors involved. It is concerned with both **vertical and horizontal coordination**: linking municipalities with the regional governance body and to some extent with central government (vertically) and bringing together different sectoral interests concerned with urban development and public transport (horizontally).

Such cross-sectoral initiatives are particularly useful in territories with complex governance structures. These initiatives do not require new instruments or powers but do of course require resources. These kinds of governance partnerships are appearing in a number of **polycentric metropolitan regions** and are often **bottom-up initiatives** developed by municipalities themselves, rather than by national government. These initiatives often involve partners from private and voluntary sectors and other public and private agencies. While most of these initiatives do not have direct decision-making powers they are able to influence decision-making processes and steer implementation by making recommendations to the decision-making bodies.

Multi-sectoral integration implies a clear definition of the focus of the project, in order to make it possible to bring the different sectoral policies involved towards a clearly defined goal. In the aforementioned territorial governance process for resource efficiency in Stockholm (box 1), the focus on an environmental rationale for the project has led to integrated policies for various aspects of planning and resource efficiency.

Multi-level integration requires the identification of different tiers of government involved in the territorial governance process and aims to define a platform for exchange and negotiation among them. For example, the StedenbaanPlus initiative (box 2) aimed to promote greater integration between public transport and urban development. The alignment of government tiers in a soft structure platform has helped public actors, at different institutional levels, to identify a single policies strategy towards private actors ("one government voice towards the market").

Finally, **territorial integration** may refer to forms of horizontal interconnection between neighbouring territories as, for examples, inter-municipal or cross-border initiatives, such as the public transport strategies in the Ljubljana Urban Region (box 10) or the Trilateral Nature Park Goričko-Raab-Örség in the Alpine Adriatic (box 5). It refers more generally to the awareness of the wider territorial context in which each place is embedded.

1.4 Pro-active leadership

The need for strong leadership in the context of territorial governance should be considered from both the **political** and **spatial points of view**.

From the political perspective, leadership implies centrality, a clear role and skills that refer, first and foremost, to the **local tradition of good territorial governance practices** and to the ability to enhance the social capital of actors involved. In the Stockholm case (box 1) the monopoly of the City on urban planning has enabled it to take a stronger position in developing and implementing strategies for resource efficient development.

Second, leadership implies the capacity to establish **effective methods dialogue and discussion** among different actors and interests in the process of governance. Clear and uncontested leadership that defined effective forms of dialogue and exchange between actors and interests played a central role in the StedenbaanPlus initiative (box 2). In the design of public transport strategies in the Ljubljana Urban Region (box 10), the awareness of a power balance between the City Municipality of Ljubljana, the main public transport company owned by the city, the national railway company, the mayors governing other municipalities and other public/private transport providers has helped to improve the governance process.

Third, different models of "good" leadership can better facilitate the **implementation of concrete actions** and, therefore the pursuit of specific

results. The pragmatic model of diffused leadership in the case of Trilateral Nature Park Goričko-Raab-Örség (box 5), can be exemplary in this respect.

From a territorial point of view, leadership is based on the ability to drive the various actors and interests towards the definition of a shared spatial vision. This requires, first and foremost, **awareness of the role of the territorial dimension and of specific territorial knowledge** in the area concerned by territorial governance. In building a resilient governance structures in the Greater Manchester City Region (box 12), for example, the evidence-based approach to territorial relations has been underpinned by a cultural awareness of territory.

A second requirement is the **adaptability to external conditions** and to continuous changes in the socio-economic and spatial scenario in which the process of local governance takes place. A final requirement is the capacity to consider and include the spatial vision in a **multidimensional and trans-scalar conception of the territory**, as attempted through the experimental Target-based Tripartite Agreement (ref. 11) among the European Commission, the Italian government and Lombardy Region (box 3).

Box 3 – Target-based Tripartite Agreement among European Commission, Italian government and Lombardy Region

In the 2002 Communication "A framework for target-based tripartite contracts and agreements between the Community, the States and regional and local authorities", the EU Commission launched the idea of experimenting tripartite tools to be subscribed by the sub-national authorities, Member States and the Commission itself. The aim was to implement EU legislation with wider efficiency and flexibility. Two different kinds of instruments were designed: the agreements and the contracts. The Tripartite Agreement among the European Commission, Italian Government and Lombardy Region was one of the four pilot projects developed to assess the possibility of signing contracts afterwards on the basis of the agreements' results. Only this agreement was signed, the three others going through a lengthy negotiation process, which stalled and finally failed. Even the Lombardy agreement, after having been signed did not carried on. It was interrupted in 2005 because of the regional electoral campaign and never re-started.
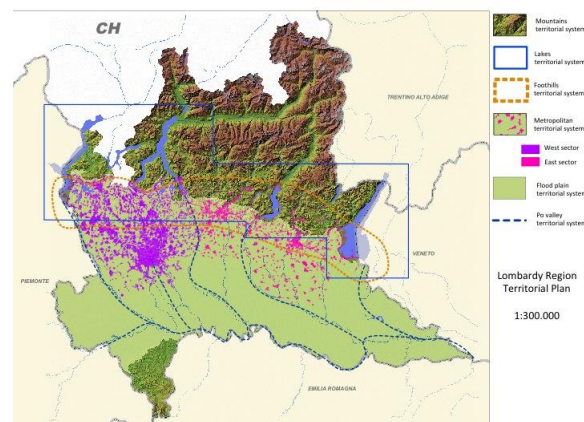
The most interesting feature of this experience is the **political support**, understood as one of the characteristics of the vertical dimension (i.e. the co-ordination of actors' and institutions' actions) of the territorial governance process. Actually, the Lombardy case was the only one that could rely on good and assiduous relationships between the regional President and the Italian Minister of Foreign Affair, who belonged to the same political party. This political support proved to be the key in the domestic relationships among different levels and led to the agreement signature. The three other cases of tripartite agreements, characterised by a lack of political sustenance, did not achieve signatures. Even if appreciable, this feature proved to be insufficient on its own to guarantee the success of the process, so it is possible to form the hypothesis that it is a necessary condition to achieve only formal goals.

2. Practices that improve territorial governance

Practitioners of territorial governance are professionals, civil servants, third sector representatives, local development entrepreneurs, members of institutions and authorities etc. that are involved in all or part of a territorial governance process. Their role is to be at the front of the implementation of the initiative/project/programme as well as to provide capacity building as a positive outcome of the experience.

Their main role in shaping good territorial governance is related to **circulation of practices** (that is the know-how). In doing so, they need to take account of tensions between existing frameworks, templates, and territorial and local specificities. However, the aforementioned Barca Report (ref. 10) warns of the frequent risks of "best practice syndrome" (p. 114).

Against this backdrop, the evidence-based analyses carried out by the ESPON TANGO research project focus the attention on a series of aspects belonging to three different but interrelated levels of action: the **definition of instruments** to favour a good implementation of practices, the search for **operational modes** to achieve good results through practices, and the need to have **visions** to which practices should be oriented to address the agency of single and collective actors.

As far as **more detailed indications and practical examples** are concerned, a reference to specific guides for territorial governance practitioners that have been published in recent years – such as the valuable one elaborated on by the Programme PSDR in Languedoc-Roussillon (ref. 12) – is recommended.

2.1 Instruments for implementing good practices

Organizational mechanisms favouring cross-sector fertilisation

Practices, that by definition are place-based and context-specific, require attention not only to the potential of a given area but also to features that are related to **mechanisms of interaction among actors and organisations**. Such mechanisms are necessary especially within the public sphere, as in the case of inter-sectoral coordination bodies at the central government level and at the regional level. For instance, in the experience of the South Transdanubian operational programme for the implementation of EU cohesion policy in 2007-13 period (box 4), the involvement of Regional Development Agency has evidently contributed to the insertion of territorial perspective in the National Strategic Reference Framework.

Box 4 –   Building Structural Fund Management systems. Learning by doing or imitating?

The case study focuses on the use of Structural Funds that have a significant impact on public administration, especially in Central and Eastern European (CEE) countries. In CEE countries, the absorption of EU subsidies is one of the most important policy and political ambitions. However, the governance regime of Structural Funds is a considerable challenge, traditional government structures and practices in CEE countries do not typically harmonise with the principles of decentralisation or regionalism, partnership, efficiency, transparency and strategic integrative planning. Hungary has tried to adapt to (or rather imitate) these challenges by establishing separate "unfamiliar" structures and institutions to fit to the Structural Funds system. The South Transdanubian development (non-administrative) region is one of the seven NUTS 2 regions in Hungary; it is one of the most underdeveloped regions. Although the region has had a Regional Operational Programme since 2007, the planning of South Transdanubian Operational Programme (STOP) took place in a centralised scheme providing only a few opportunities for local actors to be involved. The elaboration of STOP strictly followed the continuously changing requirements of the EU and expectations of the central governmental. Although some unique features and regional specialities could be included as well, STOP lacked the integrated programmes' focus on the specific problems of the region.

A positive key-feature of the case study was the **involvement of actors with territorial knowledge** of the Regional Development Agency in an institutionalised form, at least in the planning and implementation phase of the programme between 2007 and 2008. These actors were able to adequately mediate specific problems, interests and efforts of individual or several groups of stakeholders, enhance efficiency during the phase of planning-preparation and foster the mobilisation and activity of stakeholders during implementation. The exploitation of territorial knowledge has been an ambiguous action in the Hungarian practice. The involvement of the Regional Development Agency has evidently contributed to the insertion of territorial perspective in the National Strategic Reference Framework.

The successful elaboration of STOP and its initial implementation required the coordinating and organising role and the territorial knowledge of the Regional Development Agency. The elaboration of comprehensive plans, which were not sufficiently concentrated on the potential and problems of the given territory was a typical planning "mistake" committed by each Hungarian region. RDAs (as intermediate bodies) were able to influence the calls for centrally controlled ROP proposals during the initial phase of the programming period, incorporating territorial needs into them. Post-2008, however, the implementation of ROP became totally centralised, RDAs were excluded from the tendering process. STOP melts into the other six Hungarian regions' operational programmes, implementation involved schematic and uniform rehabilitation programmes of central districts and community infrastructural developments, no characteristic, complex regional development programmes were implemented from the development funds. However, even though RDA integrated its necessary territorial knowledge into the planning and implementation phase, it was utilised only to the extent that the centralised Structural Funds management system permitted.

Coordination may have a more **formal or informal application**, the latter being the case of the Trilateral Nature Park Goričko-Raab-Örség in the Alpine Adriatic region (box 5), where cross-fertilisation between policy sectors has been

reached through informal contacts. It may also occur by setting up structures to facilitate cross-sector synergies, with a more direct intervention of public bodies even potentially including private companies and consultants. For example, the South Loire's SCOT (box 11) case, the creation of a *Syndacat Mixte*, an inter-municipal cooperation structure, has played a major role in starting the negotiation process among public and private actors and interests.

New instruments for intervention in cities and territories in the EU cohesion policy period 2014-20 address the issue of actors and organisations interaction. In particular, the **Integrated Territorial Investment** (ITI) – acknowledges that an "integrated and territorial approach is multi-dimensional, tailored to place-specific features and outcomes. This may mean going beyond traditional administrative boundaries, and may require greater willingness from different levels of government to co-operate and co-ordinate actions in order to achieve shared goals" (ref. 13). Based on ITI, the **Integrated Sustainable Urban Development** is proposed more specifically for territorial governance in urban areas (ref. 14).

Use of mechanisms to favour involvement and participation

Considering the nature of mechanisms that may favour wider participation to implement practices, it is necessary to understand that **different cultures and ideas of participation** have to be integrated (especially in the case of transnational projects and initiatives). It is also important to anticipate **different degrees of formalisation**, from the widespread dissemination of generic information about a specific project, to referendums that present democratic decisions on the output of a process. However, the call for a referendum does not guarantee democratic legitimacy, as evidenced in the case of neighbourhood planning in the North Shields Fish Quay (box 6). In fact, the use of a formalisation mechanism such as the referendum may impede further informal negotiations among stakeholders or distract attention from the issue about who is entitled to vote in local planning (e.g. residents vs. users).

Mechanisms that may favour involvement and participation require, on the one hand, a **pragmatic approach to determine the level of access to information**, e.g. through a campaign via traditional media and/or on websites. Many examples of bottom-up initiatives started to widen the debate on specific initiatives available. The case of online forums (i.e. www.afal.hu and www.elprojekt.hu) created after the Pécs European Culture Capital illustrates the need to react when there is a previous lack of proper information (box 9). The crucial role played by online media in documenting wider public opinions through wiki or official webpages is clear in the case of the cross-border cooperation for water management in the Rhine Basin (box 7). At the same time, the choice to organise meetings and workshops rather than conferences and public events is as important as the choice to define the availability of monitoring and activity reports for the wider public or more restricted groups. However, the availability of documents and data is not in itself directly related to improved

democratic legitimacy, which is more closely related to open and transparent decision-making processes.

In general, effective means of communication and/or dissemination need to be considered by **setting up procedures and related tools** to plan events and feedback procedures during the implementation process. Participation from different types of actors (from citizens to organized interests and stakeholders) has to be motivated through a **clear vision** and, whenever possible, by introducing **benchmarking exercises** that makes it easier to compare what is happening in different places. To this end, there are interesting practices to refer to, such as the LEED Programme of the Organisation for Economic Co-operation and Development (ref. 15), or the Sustainable Cities Institute in the United States (ref. 16). Activities developed by the Eurocities network (ref. 17) and by the EU programme URBACT (ref. 18) deserve attention as well.

Adapting to changes based on territorial knowledge and potentials

Given that problems may arise during the implementation process, a considerable degree of adaptability is needed. To achieve this, previous experience is crucial. However, what seems to be fundamental is the possibility to **use established and shared territorial knowledge** to overcome difficulties and to design place-specific practices in particular. This is important at all territorial levels, from the neighbourhood based intervention to the cross-border or transnational initiative. For example, established territorial knowledge developed over three decades proved to be the determining factor in building resilient governance structures in the Greater Manchester City Region (box 12). Shared territorial knowledge across borders has also been fundamental for the governance of natural areas in the Alpine Adriatic area (box 5).

The recognition and use of territorial potentials is crucial to identifying those issues and themes that may help or hamper the success of an intervention. To **recognise specific territorial potentials** be concentrated in some areas can help to geographically focus efforts and resources. For instance, the experience of resource efficiency in Stockholm (box 1) has shown that investing in an environmental profile has been successful in promoting the development of a green tech/clean tech cluster. Taking into account the potential of existing nodes and the territorial specificities of each node was also a key to success in the StedenbaanPlus initiative (box 2).

It is important that stakeholder involvement and participatory strategies take account of territorial knowledge that can be brought into the governance process **from the agenda setting phase and through to implementation and feedback routines** (for ex-post monitoring and evaluation). Territorial knowledge does not refer only to direct and specific competences (i.e. transport agencies or water basin authorities). It also refers to locally diffused contextual knowledge and areas where resources and conflicts are present. To catch those specificities, experience in setting up local support groups for developing local strategies should be considered, such as the URBACT experience (ref. 19).

The need for a coordinated approach for the protection and management of natural areas began to gain ground in the Alps most notably with the founding of the International Commission for the Protection of the Alpine Regions (CIPRA) in 1952. This was quite a few years before the global environmental movement took off during the 1960s and early 1970s, which eventually led to the signing of the Alpine Convention in 1991. Although doubts exist about its effectiveness, the convention has led to the recognition that many issues cannot be solved solely through national legislation. Coordinated regional approaches and initiatives are essential to solve common problems.

The case study investigates the efforts for the coordinated protection and management of natural areas in the transnational context of the Trilateral Nature Park Goričko-Raab-Őrség. A robust cooperation structure connecting natural areas in Slovenia, Hungary and Austria has been developed over the years that has helped to diminish to a large extent the separating effect of the national borders

Despite the ambition for a joint trilateral park authority, **the park currently operates as three separate parks**, each following its own national policy system and governance culture: Goričko Nature Park in Slovenia, Őrseg National Park in Hungary and Naturpark Raab in Austria. The **capacity to carry out cross-border coordination** is thus of crucial importance for the effective governance of natural areas. Informal contacts and decades of experience of actors involved play a key role here as well. Connections and trust, needed for cooperation, are a legacy of previous collaborative efforts, mostly through joint projects, either trilateral or bilateral, and the people involved.

Social learning is a central issue in relation to the "soft" and decentralized leadership model exercised in the trilateral park. It is a mechanism for the construction of collective knowledge, needed for effective coordination across borders, and **joint cross-border projects seem to be crucial** in this respect. They contribute both to stronger informal ties between actors on different sides of the borders and to expanded common knowledge. Park administrations informally coordinate applications for new joint projects building both on the formal knowledge and on the experiences gained in previous projects. These are thus integrated into the identification of new goals, which is an important aspect of collective learning. Although park authorities are the main partners involved in cross-border projects, additional partnerships are built during their implementation at the local, national and transnational levels, involving partners from all relevant sectors: municipalities, ministries, research institutions, foundations, schools, universities and NGOs. Efforts for more formalized cooperation, set out in the Memorandum of Understanding, were strengthened in 2006 however; such a widely branched partnership network and rich cooperation experiences form the basis for effective governance of natural areas across borders.

In this regard, EU cohesion policy in during 2014-20 period provides a new instrument called **Community Led Local Development** (CLLD), built on the long experience of the LEADER Community Initiative. As stated in the guidelines, "CLLD is a specific tool for use at sub-regional level, which is complementary to other development support at the local level. CLLD can mobilise and involve local communities and organisations to contribute to achieving the Europe 2020

Strategy goals of smart, sustainable and inclusive growth, fostering territorial cohesion and reaching specific policy objectives" (ref. 20). The definition of such instruments presents a relevant opportunity, taking into account previous experiences of LEADER, URBAN II and URBACT projects. This may concern the definition of a local action group and/or of a local development strategy.

2.2 Promoting good practices

Setting up open governance structures

As instruments to encourage participation are important, the same is true for operative modes to involve those public and/or private stakeholders that are relevant for the success of the project/intervention/programme. In this case, **governance structures that are able to integrate** a complex range of formal institutions, and informal interests, in and around the area of the intervention play an important role. A relevant example of this is the experience of the Trilateral Nature Park Goričko-Raab-Örség for the governance of natural areas in the Alpine Adriatic area (box 5). Here, the capacity to carry out cross-border coordination proved crucial for the effective governance of natural areas.

Co-production of knowledge and knowledge transfer

The use of territorial or place-specific knowledge is crucial for practitioners to set up an intervention. It is also fundamental to start a process in which the interaction among actors can produce **new shared knowledge**, as one of the outputs of the process. In the case of cross-border cooperation in the Rhine Basin (box 7), co-production of knowledge and knowledge transfer across the border has been determinant for effective water management. In building of public transport strategies in the Ljubljana Urban Region (box 10), early consultations, meetings and workshops that shared information, knowledge and development decisions, with the involvement of stakeholders with territorial knowledge, were important to knowledge transfer and cooperation among stakeholders.

Therefore, the production of knowledge is not sufficient if it is not linked to **transfer mechanisms**, whether formal or informal. The exchange of practices favour a better understanding of the processes and are also important in relation to the degree of adaptability to changes: to understand mechanisms that have hampered or improved the implementation of a given initiative in another context may allow for mutual learning and can ease changes in traditional and standardised operating rules.

2.3 Visions for good practices

As shown in various experiences of strategic spatial planning, the capacity to **imagine future development of a place/territory** can be at the base of good territorial governance. However, it has to be related to the capacity of

negotiation in various phases of the process, such as building governing capacity for the project, the preparation of governance structures, and the exploitation of past experience to facilitate partnership making.

Box 6 – Is small really beautiful? Neighbourhood Planning in the UK, North Shields Fish Quay

Neighbourhood Planning (NP) is one of the mechanisms by which the UK Coalition Government is implementing its "localism" and "Big Society" agendas. They chime with principles of **subsidiarity, participation and citizen engagement**. North Shields Fish Quay NP (NSFQ NP) is one of the pilot projects testing the idea of planning at this ultra local level. Urban NPs are produced by a Neighbourhood Forum (NF), which is a self-selecting group of individuals from the local community. In contrast to previous local planning processes, NFs actively seek to engage a wide range of community interests, from residents, businesses and visitors. NFs also define the boundaries of the territory which is subject to the neighbourhood planning process. In managing the process, the NSFQ NP faced three challenges. The group had (1) to get to grips with the statutory framework, which guided the plan making process, in the words of one member "make planners out of fishermen"; (2) to constitute itself as a legitimate body and establish a governance structure; (3) to define with stakeholders the exact boundary of the territory for which they were going to formulate a plan.
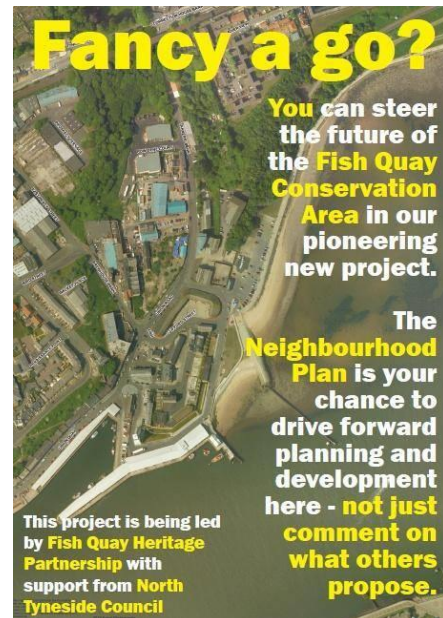
To overcome these challenges the group followed three distinct stages. The first one was the **capacity building** stage. This allowed the various stakeholders to get to know one another and to understand each other's views. It also allowed the group to engage with a range of experts who helped them become "semi-professional" planners. This stage also allowed the governance structure of the group to be established.

The second stage involved **engagement** with the wider community **and evidence gathering** activities, which provided the basis for the plan. At the end of this stage of the process, the group wrote the draft plan with the assistance of the Local Planning Authority.

The third stage was to seek formal **democratic approval** for the plan. For a formal Neighbourhood Plan this would have taken the form of a public consultation followed by a local referendum. In the case of the NSFQ NP, however, a slightly different method was adopted whereby public consultation was followed by the final decision by locally elected politicians.

A key feature of the process, which has wider application for territorial governance at the local level, is the way in which NSFQ NF addressed the need for capacity building before rushing into the substantive planning stage. This allowed the stakeholders to overcome their potential entrenched positions and work together constructively.

Creating a vision primarily concerns the **definition of common goals based on common history**. In this light, visioning can help to build trust among people in order to facilitate permanent cooperation. As shown by the experience of neighbourhood planning in North Shields Fish Quay (box 6), this goal can be achieved with the careful planning of activities and a sound knowledge of capacities and potentials to maximise the chances of success.

3. Techniques and methods for better territorial governance

Techniques and methods should be of primary interest to territorial governance **policy makers**. This includes executives and officers who manage and develop public policies, manage resources, decide policy content and guide policy direction. In general, techniques and methods for territorial governance concern the **quality of tools** used to prepare and to steer a plan, programme or project for a specific territory.

The evidence-based analyses carried out by the ESPON TANGO research project suggest that policy makers' attention should focus on three main aspects, namely: the **design of a strategic framework** suitable to the territorial scope, the **effectiveness of partnership arrangements** within the plan, programme or project, and the **quality of monitoring and evaluation process** to steer implementation.

It is worth observing that the ensemble of these aspects reflects the sequence of the overall programming tasks foreseen, according to new legislative proposals, for the EU cohesion policy in 2014-20 (ref. 3). These are:

- the **Community Strategic Framework** (CSF) 2014-20, intended as the overall reference framework for cohesion policy established at the EU level;
- the **Partnership Contracts** between the EU and Member States to improve the effectiveness of cohesion policy implementation through agreements that are carefully negotiated with each country;
- the **Operational Programmes**, similar to the ones that existed in previous programming periods, but improved especially for the establishment of ex ante and ex post "conditionalities" to be verified through more specific monitoring and evaluation procedures.

As a first general suggestion, it seems that territorial governance in Europe could benefit from a progressive alignment of techniques and methods at the various levels of policy making, from the EU to local level.

3.1. Strategic framework design

Framing

The development of a general frame is essential to organise a process and to define goals and phases. This tool allows the definition of a "shared vision", which may have both **strategic and regulative functions**. It can be intended as a framework of control, a guideline for strategies, or an action plan for specific purposes. The definition of a frame has to consider **flexibility** as strength, since a defined structure with flexible attributes can be adapted to changing contexts.

However, a framework should also be used as a **management tool** that makes explicit the match among objectives, sub-objectives and measures. It serves to strength the coherence of the territorial governance process and to facilitate the development of indicators for monitoring and evaluation. For instance, in the process of cross-border cooperation in the Rhine Basin (box 7) a convention and a political agreement about water management have allowed for the creation of the framework for the cooperation process. In this case, the framework launched the necessary preparatory activities of the project and was conceived as a coordinated ensemble of multiple tools.

Box 7 – Cross-border Cooperation in the River Rhine Basin

Due to hydrological and ecological conditions, there are many intrinsic relationships within the catchment area of rivers. It is for this reason that **river basins** are defined as the overall most important units for water planning and management, as reflected by two EU environmental directives: the European Water Framework Directive (WFD) focused on water quality and the directive on the assessment and management of flood risks, focused on water quantity.

In the Rhine case, the origins of a cross-border or even transnational approach to water management goes back to the immediate post-war period: in 1950 the "International Commission for the Protection of the Rhine against Pollution" was established. It received its legal foundation through the conclusion of the 1963 Convention of Berne in 1963. **Formal arrangements like treaties or EU directives** – which in themselves are based upon a treaty – could be important for transnational and cross-border cooperation, in this case in relation to water management. The nature and focus of cooperation changed drastically through the
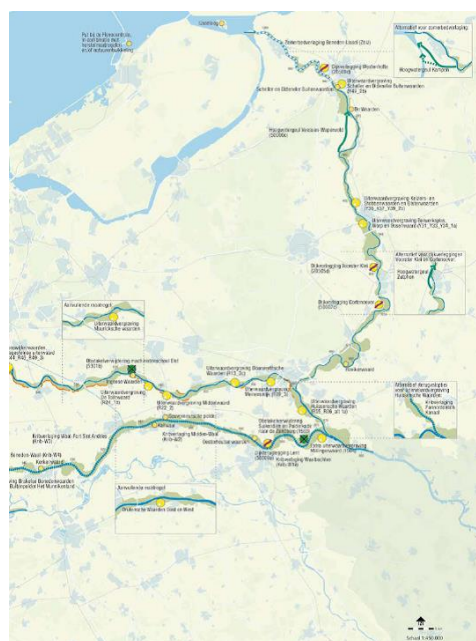
floods of 1993 and 1995. These floods led to a sudden awareness that there are limitations to a mere technical approach to flood control. Dikes and dams and civil engineering works cannot fully exclude risks of flooding particularly over a period of many decades. Such efforts have reduced the overall territory available for water flows, while pumping installations and land-use have increased the speed with which surface water enters into these flows. As a result, a new "discourse" emerged basically implying that water needs to be accommodated. In 1999, a new Rhine convention came into force and on a lower level of scale – Netherlands and North Rhine Westfalia – a political agreement signed in 2007 formed the **framework for a productive process of cross-border cooperation**. "Productive" does not imply actual joint territorial interventions or joint water management works, but necessary preparatory activities. These activities focused on research on risks and how to measure these risks. **Coproduction of knowledge** and **knowledge transfer** across the border has taken place in the years following the agreement. Due to differences in the division of competences across administrative levels and across policy sectors, the integration of water management and spatial planning has not been dealt with at the cross-border level but via different trajectories on both sides of the German-Dutch borders. Nevertheless, through cooperation on water management, the urgent task for the Dutch to give more territorial "room" for rivers has influenced policies upstream. This cross-border case is a clear case of not only knowledge but also policy transfer. The 2007 political agreement ended in 2012. This did not lead to an end towards cross-border cooperation but continued albeit with a different speed and impact. Really effective cooperation does need a political framework to maintain a sense of urgency.

Implementing the framework

Despite its primarily strategic nature, a framework has to be implemented or – to refer to terminology adopted in the well-known ESDP (ref. 5) – it has to be "applied". This poses the question of how spatial strategies can be translated into practices according to a plan of action. The implementation of a strategic framework is mostly connected to the issue of **institutional capacity**. Indeed, public authorities or institutions promoting a territorial governance process need to be assisted by a **qualified staff**. The capacity of the staff is crucial to guide a governance process: individual officers in charge of coordinating actions and initiatives are the ones that can promote integration and the involvement of various stakeholders. In this light, active public organisations and institutions are used to develop an assessment of needs in the initial phase of a territorial governance process.

Fostering a capacity to **learn by doing** is also important to develop adaptive territorial governance processes, as the staff involved is able to vary methods and techniques according to the evolving context. However, changes should not necessarily be problematic and good strategic frameworks can be used, under certain circumstances, as **methods for attracting change**. In the StedenbaanPlus initiative (box 2), for instance, the agreement between public and private stakeholders has brought together different sectoral interests concerned with urban development and public transport in a pro-active manner.

3.2. Effectiveness of partnership arrangements

Participation

Participation is one main condition to build partnerships, and to make arrangements effective. A **participatory process** is done in order to change practices by expanding partnerships with new combinations of public and private stakeholders. Stakeholders' involvement promotes a change in objectives, work habits, and approaches. A participation process can be described according to the type of involved audience: it may interest ordinary citizens, or set up groups (professional organizations, associations etc.), or a combination of both. Involvement is not limited to bilateral public-private partnerships and co-management, but also presupposes dialogue and new forms of integration.

Territorial governance should find and recognise appropriate devices in order to use innovative functional interactions as a way to strengthen solidarity among actors and territories. The challenge is the creation of conditions for **collective learning** between regions. Vertical and horizontal cooperation are keys in order to deal with conflicting levels, institutions and stakeholders. Coherence among different levels of decision is one of the main issues in a dialogue process. Results of these processes are agreements (more or less formalised), or at least a shared frame of initiatives: the general idea is "making system". In a framework (e.g. developed by States or EU institutions), cooperation among stakeholders is a

crucial condition to improve synergy in the decision-making system. Cooperative attitudes replace top-down procedures and hierarchy or, in cases in which there is a mandatory negotiation process as in the case of the South Loire's SCOT (box 11), cooperation may help to improve reaching common goals.

Participation practices should consist in a **clear process of involvement**: social and professional stakeholders (institutions and organisations) interested in the definition, implementation, monitoring and evaluation of public policies/ projects; and, secondly, broader participation of citizens, whose limits and goals can differ from the first one. These two modes are not mutually exclusive and are often combined together in various protocols, where they can be implemented simultaneously or sequentially. Combination of approaches and expanding the number and variety of stakeholders and representatives of the civil society are innovative characteristics.

Box 8 - A Climate Change Adaptation Strategy for the Baltic Sea Region

Climate change impacts all countries in the Baltic Sea Region (BSR) – positively and negatively. Although the impacts of climate change vary based on local characteristics and circumstances, there is a need among stakeholders from the BSR to exchange experiences and learn from each other.

As the EU´s first macro-region, the BSR is about to develop a climate change adaptation strategy on macro-regional level. As adaptation to climate change is a multi-level governance issue requiring both top-down guidance provided by EU and national levels and bottom-up measures taken at local and regional levels, the strategy is being developed through **broad stakeholder involvement at all levels**. Stakeholder dialogues with citizens, cross-sectoral workshops with experts and Policy Forums with high-level officials are being organized within EU transnational cooperation projects such as BaltCICA and Baltadapt in order to integrate different actors from different levels and policy sectors. However, funds are needed to enable stakeholders to travel to and participate in the different forums, especially in a territory as large as the BSR. This is being solved through travel funds being made available by the EU and pan-Baltic organization such as the Council of the Baltic Sea States (CBSS).

The strategy is currently being developed within the Baltadapt project, which runs between 2010 and 2013. But implicit in the drafting work of Baltadapt is to ensure the longer-term sustainability of the strategy after the end of the project. Partly because of its work with **relevant stakeholders**, the strategy´s **future ownership and territorial scope** has been defined and settled under CBSS Baltic 21, which enjoys the political backing from the BSR countries. CBSS Baltic 21 has thus received the mandate from the EU to accompany and facilitate the climate change adaptation strategy for the BSR towards its adoption by the Member States within its work as Horizontal Action Leader in the Action Plan of the European Strategy for the Baltic Sea Region (EUSBSR).

The **definition of a participatory approach** is a task that must be prepared beforehand, adopting project management methodologies. The preparation phase is a crucial step that should not be overlooked and it is important to consider:

- the selection of actors to be mobilised (who is to be involved, to what extent, and with which role);
- actors that are in charge of the participation process (local authorities often recruit external experts to design and animate such processes, one of possible option, taking into account that internal resources may be trained for this purpose);
- the time issue (when participation takes place during different phases of the process, and the length of time it will take);
- consistency of participation with existing objectives and agendas;
- the need for specific skills or appropriate conditions (e.g. widespread broadband for digital tools);
- a communication strategy that supports the process.

A variety of tools can be used to involve stakeholders including focus groups, public meetings, web sites, online surveys (or on the ground). The selection of appropriate tools depends on the phases or specific initiatives to be supported. They should, in general terms, be identified as the most appropriate for a specific territory or particular time frame. **Broad stakeholder involvement** in these processes should be fostered, as was the case for climate change adaptation in the Baltic Sea Region (box 8), where different formats for dialogue were implemented. In other cases, participation is rather formalised and actors are selected according to their accountability. In the South Transdanubian operational programme (box 4), the process had an institutionalised form in the planning and implementation phases.

Information

Assuring an information flow permits major engagement and involvement; it can also help spread territorial governance practices out from the policy, programme's or project's boundaries. Sharing information requires compatible information systems and the development of collaborative web platforms, as well as the use of traditional and online media, as in the case of the cross-border cooperation in the Rhine Basis (box 7). These kinds of tools constitute an added value to monitor territorial governance processes: they may help to create routines. Furthermore, the standardisation of procedures, as in the South Loire case (box 11) allows fairness and, thus, legitimacy: moving from principles to facts and information. Information is sometimes at risk due to budget cuts, but its availability should be guaranteed and protected from these cuts.

Information flows allow citizens and stakeholders to be active and informed about the processes but, as illustrated in the StedenbaanPlus initiative (box 2), collaborative tools and information materials should be tailored for different audiences. Consulting citizens using these tools is almost a "barometer of public opinion". In fact, they can help to anticipate needs and expectations, in addition to assessing policies' effects. At the same time, ensuring that information supports the learning process and a collective democratic debate, beyond restricted circles of actors. To this extent, **feedback should be guaranteed**

during different phases: to allow cooperative attitudes' diffusion and to show that participation is a mechanism that improves effectiveness: in-built feedback procedures for institutional learning have been developed within the Baltadapt project, in their task to draft a climate change adaptation strategy for the Baltic Sea Region (box 8).

Maintenance of experience

Another feature in favour of effective arrangements for partnerships is the stability of experience. This is related to **long-term strategies**, coherent system of projects and programmes, and **robust networks of actors**. In territorial governance, path-dependency is an important aspect and a temporal dimension is crucial to implement long-term visions. Stable cooperative experiences also allow outcomes that overcome initial challenges.

A consistent approach to territory is a value that has relevant results; goals can be in fact achieved through a coherent and committed strategy. In the case of the Greater Manchester City Region (box 12) it was a crucial to build a "resilient" co-operation structure that could be re-activated after substantial institutional and political changes. The importance of long term strategies is evident also in the experiences of cross-border cooperation in the Rhine Basin (box 7) and resource efficiency in Stockholm (box 1).

3.3. Quality of monitoring and evaluation process

Social utility of monitoring and evaluation

Processes of territorial governance should be managed together with processes of assessment and **on-going monitoring**. These are decisive to obtain good results. Evaluation enhances **transparency and control** on the project's phases. It makes it easier for a project to adapt focus and tools in a changing context. Assessing territorial governance requires both strengthening and increasing methods, techniques and indicators, as has been done in the StedeebanPlus project in Southern Randstad (box 2). In this case, responses to changes in the context have been guaranteed through an adapting focus and the use of instruments such as evaluation and yearly monitor.

Evaluating and monitoring territorial governance should not be set up only to have immediate effects. Rather, it is more about developing longer-term **behavioural changes in the actors**, better integration between policies, and development of dialogue in a territory.

Monitoring and evaluation methodologies need thus to be adapted to territorial governance processes: quantitative and qualitative tools and methods should be adjusted to governance features, like learning needs, organisational innovation, and network changes. The challenges of assessing governance arrangements are relevant, considering their specificity. Parts of these innovative outcomes are the capacity to act in uncertain conditions and to produce improvements in the

management (better coordination, time of actions), as well as budget savings due to enhanced control. Further, territorial governance generally shows improved **efficiency of public actors** and better integration of different themes, such as environmental and social policies. It is also important to note that opportunities for **social learning** have occurred, at least to some extent, through additional layers of governance and evaluation processes. This was the case with steering groups and more evaluation activities throughout the territorial governance process in Stockholm (box 1).

Box 9 – The ECC Pécs Project and the challenges of territorial governance

The EU European Capital of Culture (ECC) project is not just a one year celebration. Rather, it involves dozens of cultural programmes and a scheme of complex urban development, with strong connections to cultural investments. The case study focused on the complex urban development project implemented during a very short time and financed by the Structural Funds. The aim was to construct new cultural institutions (concert hall, library, exhibition centre), through the regeneration of an old industrial district, assuming that new development directions would support economic growth. As Pécs is the "gate to the Balkan" there were territorial co-operational elements both with the region and abroad. The investments (together with additional infrastructural developments such as the renovation of public spaces and a new motorway) were quite large, unique factor in Hungary.

Following the original logic of ECC, both the city and the central government had to collaborate with each other and the European institutions (MLG), while also involving civil society and creative communities (partnership). Complex, large-scale projects are always a difficult for local governance to handle. Such projects require special management skills and experience, precise operating rules and independent, flexible project institutions. It was also difficult to implement the very complex project according to the rigid regulations of Structural Funds. The governance of the project required in general very innovative solutions to harmonise project type temporal actions with the traditional, "Weberian" government system.

The **most important governance feature** of this project was that it would have needed a bottom-up, place-based approach, and creativity. It was evident that the city won the bid through the **involvement of civil actors with local knowledge** and support. To do this, an independent management company was set up to "outsource" the preparation of the bid. This independent and market-type organisation was able to adapt to the needs of creative groups for informal and often ad hoc functioning. In the phase of implementation however; the centralised and over politicised decision making system did not leave enough flexibility for the professional management or civil, and artisan actors to maintain this open and flexible governance arrangement. The local project management organisation suffered from the fragmented and centralized governance context and the sector-oriented management model of Structural Funds as well as from the lack of local governance potential. All of these obstacles were embedded in a special, Eastern European political culture with a lack of trust and tolerance. As a result the original idea failed.

The new place-based governance challenges have not penetrated the central nor local government structure, who have been unable to learn. The central government is still not prepared to implement more integrated and place based EU projects. The story is forgettable for the city as well, where the huge buildings are mementos of the missed chance to introduce a more open and flexible governance mode.

It is important to note that it is not necessary to create a new formal structure to evaluate processes of territorial governance. Instead, it could be better to find **flexible forms of cooperation** between different sectors and partners to combine practices. A process of continuous evaluation and prospective analysis can be reflexive and able to adapt to changing needs.

Territorial oriented evaluation and assessment

In regards to methods and techniques of evaluation, it is particularly important to take a territorial oriented evaluation into account to assess governance from a place-based perspective. With this in mind, the **Territorial Impact Assessment (TIA)** represents an interesting approach to evaluate territorial projects and policies (ref. 21). This is a methodology to evaluate the territorial impacts of proposed EU sector legislation and policy, helpful to predict territorial effects and provide useful insight. High-level institutions and organisations, such as DG REGIO and DG AGRI, ESPON and Eurostat, are engaged in developing this approach to create an effective methodology.

In particular, TIA promotes an overall qualitative approach to assess territorial impacts and then different methods according to each case (multi-dimensional evaluation and multi-sectoral indicators). As described by the ESPON EATIA research project (ref. 22), the methodology of the TIA process has four main stages: **screening, scoping, assessment and evaluation**. If regional or local areas can be identified and appropriate data are available, quantitative methods are recommended. A qualitative approach relies on a description of the spatial distribution of four items: main problem or driver; capacity to respond to the problem (or implement the policy); actors involved in the policy response; the potential impact, which is a combination of the former issues. TIA also refers to statistical description, projections and modelling interactions. It suggests tools to support the qualitative assessment of territorial impact and recommends consultations as a relevant way to reveal asymmetric impacts.

4. The importance of the rules of the game

The role of **decision makers** – those who exert a political power at any level of decision – in favouring or hampering better territorial governance is crucial, especially as they have legitimate authority to establish the overall rules of the game.

In general, decision makers at various levels of government should be aware that territorial governance is not limited to the implementation of participatory or collaborative action. Therefore, it cannot be reduced to a series of consultation, mediation, participation mechanisms, as is often the case. A normative perspective should aim to promote new methods and practices of action, involving participation and cooperation, with the potential to **innovate the government capacity**. With this in mind, it is important to develop an integrated approach to reconcile multiple objectives, to share services and functions that ensure synergy and to rationalise public action. These efforts help promote cross-sectoral and place-based approaches and define priorities between territories at different scales.

According to ESPON TANGO project results, a framework of rules that may improve territorial governance should therefore be based on four complementary domains of principles. These are: **responsible leadership**, **effective governance**, **programming system based on performance**, **place-based rationale**. Additionally, it is recommended to refer to the "Better Regulation" website (ref. 23), which sets out the actions taken by the European Commission, other EU institutions as well as those taken by the Member States in the governance capacity field. It also offers access to the other websites of the Commission and Member States where better regulation is addressed.

4.1 Responsible leadership

Empowerment of the appropriate level of decision

A *governance* perspective emphasises the plurality of actors involved in public policy, as opposed to the traditional model of government that promotes, at least implicitly, the concentration of power and neo-corporatist management of sectoral interests. At the same time, new public policies that emphasise cross-sector cooperation and integration, with foci that include sustainable development and the efficiency of services in the face of financial shortages, need to **strengthen coordination and control**. The necessity to optimise, coordinate and integrate is a major governance issue that is not often highlighted. An example of this is to encourage sector organisations to work together or to create synergies between services. But this also includes the capacity to better

account for the expectations of users of local services. The creation of local public companies that allow several communities to unite within an external structure without the obligation of competition is usually addressed to this aim.

A *territorial governance* perspective addresses governance shortcomings insofar as it confers a spatial dimension to governance. It ensures that coordination and control is strengthened **at the appropriate territorial scale**. This is necessary for integrating policy sectors as well as for coordinating the actions and actors of institutions who are often operating at different levels of government. It is also essential for being in the right position to identify and face environmental, social and economic changes that are not bound by predefined administrative boundaries. For example, a set of cross-border political agreements has proven indispensable for cross-border water management in the Rhine Basin (box 7). Even in more usual urban contexts, the strong strategic commitment to package policy at the city region level was a crucial resource for the local enterprise partnerships in Greater Manchester (box 11) and for regional programming and public transport strategies in Ljubljana (box 10).

A couple of years ago the EU has opened the opportunity to instigate so-called **European Groupings of Territorial Cooperation** (EGTC, Reg. No. 1082/2006). EGTCs can be considered as new legal bodies that aim "to facilitate and promote cross-border, transnational and/or interregional cooperation [...], with the exclusive aim of strengthening economic and social cohesion". It addresses the need for good territorial governance where it has been hampered by traditional administrative boundaries (ref. 24). To further improve this legal tool and to facilitate its usage, is envisaged in the 2014-20 cohesion policy period. Beyond that, the need to revise respective frameworks to facilitate the empowerment of the appropriate (new) level of decision making in territorial governance is also a relevant challenge for national, regional and local authorities.

Reinforced public accountability

Considered from either an analytical perspective (what is) or normative (what should be), territorial governance confers a less central role to representatives legitimately elected by the vote than in the past. It is no longer only the elected position of the decision maker that confers legitimacy to the decision, but rather the quality of its elaboration process, proven by its participatory character, transparency and other factors. Moreover, territorial governance requires the mobilisation of resources (not only financial) belonging to other kinds of actors (economic and non-profit), which allows them to see how their investment in the decision-making process has been used. If this evolution is often the source of divergences and tensions; innovative solutions are also possible. A successful **mix of indirect and direct democratic legitimacy** has been experienced, for example, in the Ljubljana spatial planning and transport strategies (box 10) and in the StedenbaanPlus initiative (box 2). In both cases, despite the initial diversity of views among stakeholders, a strategic platform established top-down, without direct democratic legitimacy, could find application thanks to a bottom-up democratic approval by local municipalities.

The case study's focus is on the territorial governance practices in the process of formulation and implementation of integrated public transport strategies in Ljubljana Urban Region (LUR) – officially known as Central Slovenian NUTS 3 region. These efforts followed the establishment of **Regional Development Agency of Ljubljana Urban Region** (RDA LUR) in 2001. The main task of RDA LUR is the preparation of the "Regional Development Programme of Ljubljana Urban Region" (RDP LUR) 2002-06

and 2007-13 in cooperation with municipalities, the state, policy sectors and stakeholders. RDA LUR also works on the formulation and implementation of operational programmes. Nowadays, no administrative NUTS 3 regions (provinces) have been formally established in Slovenia. LUR is the largest region in Slovenia by population size with approximately 500 000 inhabitants (25% of population and 12.6% of Slovenia's territory) comprising the Municipality of Ljubljana and surrounding 25 small LAU 2 municipalities.
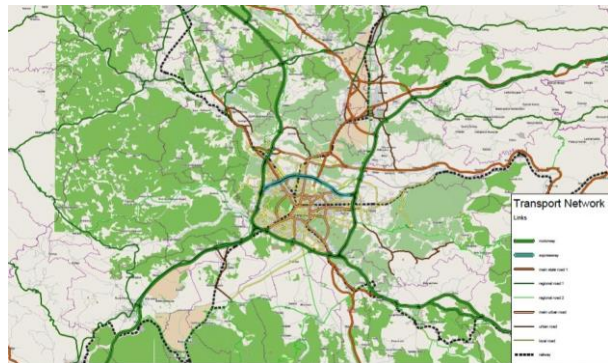
A specific focus is on the formulation and implementation of multi-level policies at the inter-municipal level, in relation to the RDP LUR. There are "soft" instruments available based on **coordination and cooperation** between municipalities and other stakeholders through the RDA LUR as strategic policy platform(s), but also "top-down" formal obligation of making RDP with the support of the inter-sectoral coordination body in the central government and the City Municipality of Ljubljana, legal owner of RDA LUR. Preparation of integrated transport strategies in LUR is one of the most important policies **mobilising stakeholders' participation with territorial knowledge with a consensus building and institutional learning**. Integrated planning of transport infrastructure, spatial and land use development are part of RDP LUR 2007-13. The strategic policy framework includes all relevant stakeholders and policy goals with horizontal cooperation of different municipalities in LUR and sectors in a "soft" platform at the regional level. An inter-sectoral coordination body at the regional level (RDA LUR) and inclusion of public and private companies and professional bodies have been set up for policy formulation. RDA LUR has provided access to information of public interest, using traditional and online media, informing stakeholders and general public.

One of the main governance features is the coordination of different levels of decision-making through **strategic policy platform** as a partnership arrangement between various public and private actors and existing policy instruments from different levels of government involved in the process. It is concerned with **vertical and horizontal coordination**: linking municipalities with RDA LUR, and with central government (vertically) bringing together different sectoral interests concerned with spatial development and public transport (horizontally). These initiatives also require resources for implementation and bottom-up initiatives. National and sectoral strategies and policies are not very well linked to a "place-based approach", also due to the lack of complex regional spatial plans and the lack of administrative regions in Slovenia. Better adaptability is also needed, taking in consideration new trends and problems such as flooding or inadequate financial resources for policy implementation due to budget cuts and a financial crisis in Slovenia.

More generally, **responsiveness** is necessary among those who, through election or appointment, command a role in a territorial governance process. One difficulty is that, as with more traditional conceptions of government, a single and certain measure of representative legitimacy does not exist. To be considered respectable, the leaders of a territorial governance process therefore have to demonstrate their representativeness, their competence, their reputation, their commitment and their compliance with the rules of dialogue.

They are otherwise under permanent risk of others' attempts to contest their role, often to create a more favourable configuration of power relations.

In particular, a **highly accountable leadership** is crucial both to mobilise the participation of stakeholders, and to give reliability to a collective strategy of change. This was visible in realising the resource efficiency strategy in Stockholm (box 1), where the high level of Swedish government's accountability has made it easier for individuals in positions of responsibility to influence the preparedness of new paths for urban planning. The adoption of a **code of conduct** or similar guidelines, specifying the role of each actor and making the decision-making procedures visible can be a way to increase public accountability, especially in less easy situations.

4.2 Effective governance

Flexibility and legal certainty

The involvement of different levels of government and stakeholders is a standard condition of good territorial governance. As shown in the very diverse cases of the Trilateral Natural Park Goričko-Raab-Örség in the Alpine Adriatic area (box 12) and the StedenbaanPlus initiative (box 2), the fact that different levels of government were represented made it possible to match the purpose and objective of the various interventions in a place-based and adaptive perspective. Moreover, in the former, public transport that is accessible for all residents in suburban and rural municipalities is the result of an overall consensus of stakeholders and inhabitants. In the latter, the organisation of *ad hoc* debates among participants, if changes in the context were required, was envisaged. A **flexible governance structure** is therefore necessary for allowing inclusion and participation to a certain extent.

Participatory practices that characterise governance have the ambition to transform the decision-making process in a broad sense as well. This transformation consists of an added layer at the specific moment of decision, which is currently in the hands of elected decision makers. One implicit assumption is that participatory processes are deliberative devices: dialogue allows changes in judgments among actors and makes it easier to find agreements. But these deliberative mechanisms, and their systematic push to decentralisation and to the multiplicity of stakeholders, can also make control devices more vulnerable and facilitate the opportunism of new agents. Another implicit assumption to be verified is that the expansion of the information base, due to the mobilisation of various actors, enables more relevant and appropriate measures. Thus, **significant challenges in terms of ethics and of efficiency** are involved. There is a need to ensure that governance really generates "good" organisational and institutional innovations in terms of transparency, management, training/information of actors and/or conflict mitigation.

This is particularly true when, for instance, individual and collective rights on the use of land and of space are at stake. Despite several differences among spatial planning systems in Europe, new spatial developments everywhere are implemented through changes to existing land rights, often implying a redistribution of values and opportunities among the concerned owners and users. Therefore, a careful public **evaluation of redistributive effects** of spatial developments implied by territorial governance processes (e.g. Territorial Impact Assessment; ref. 21, 22) should be envisaged by spatial planning systems. This should serve to decide whether and in which conditions a certain spatial development is allowed and to establish possible compensations for negatively affected parties. The capacity to achieve an advantageous balance between flexibility and legal certainty has been one key to success in the case of cross-border water management in the Rhine Basin (box 7), where legally binding agreements were combined with a sufficient structural flexibility within the overall strategic framework.

Institutionalisation capacity

The implementation of territorial governance is a process that **gains value over time**. All of the observed experiences emphasise the procedural nature of the implementation of governance arrangements, which therefore require sufficient time. "Good" governance systems cannot be imposed, but are developed based on the patient identification of emerging issues and the progress of projects.

In general, practices that capitalise on experience and know-how promote learning effects. For instance, it is possible and advisable to perpetuate certain practices that result in learning to create a culture of shared governance and procedures to ease the burden and secure stakeholders. In turn, continuity promotes the development of **learning processes**, which are crucial to durable territorial governance. For example, in the case of Stockholm's strive for resource efficient development (box 1), opportunities for social learning were given by additional layers of governance (steering groups) and frequent evaluations throughout the process. The local enterprise partnerships in Greater Manchester (box 12) could benefit from specific institutional mechanisms, favoring reflexivity and learning. This was also the case with European Capital of Culture events in Pécs (box 9), where the practical need to cope locally with unexpected crisis situations during the project could be virtuously channeled.

The latter case also stresses that learning is essential to the **capacity for adaptation** to changing contexts. This is particularly true when a learning process is not confused with the incorporation of a work largely managed by external consultants, but is integrated into the practices through devices that create a real capacity for reflexivity. The procedure of progressive plan making established for the South Loire SCOT (box 11) is an enlightening example of this kind of devices.

Since the early 2000s, territorial development strategies in South Loire region have been collected within the "Territorial Coherence Plan" (*Schéma de Coherence Territoriale*, or SCOT). SCOT's role is to ensure a better balance between the development and protection of urban, rural and natural areas, as well as promote sparing use of land. It ties together public urban planning policies, private and low-income housing, transportation and infrastructure, commercial premises and environmental protection. It is prepared by an inter-municipal co-operation structure (*Établissement public de cooperation intercommunale*, or EPCI) or multiple structures and implemented through a structure called *Syndicat Mixte* (SM). A SCOT is elaborated through wide negotiations that engage institutional and non-institutional actors. Its approval is submitted for public consultation. Currently there are nearly 30 SCOTS in France and by 2017 all the French territory will have to be covered by a SCOT. The South Loire SCOT process was started in 2004 and

approved in 2010. However, in 2012 an administrative court decision revoked it and a new SCOT is now in progress.
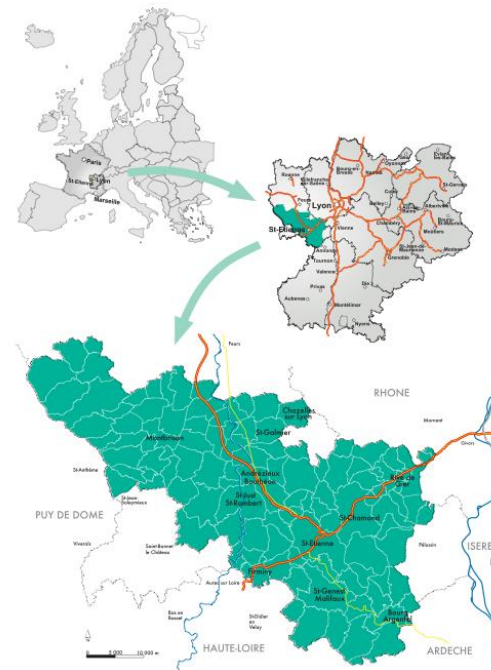
One of the most interesting features of this case study concerns the **structures set up to facilitate cross-sector synergies and the mobilisation of stakeholder participation**: the thematic boards within the SM and the working group coordinated by EPURES, the urban planning agency of Saint-Étienne region. The **thematic boards** examined documents and plans coming from municipalities and communities in the fields of economy, housing, mobility and natural and agricultural environments. A fifth thematic board dealt with the analysis of the urban planning documents of each municipality. In the diagnostic phase, the thematic boards picked up territorial needs in the different sectors. In the planning phase, they worked through an integrated approach to fine-tune sectoral policies and bring them together in a common strategy. The **working groups** constitute the second platform for horizontal integration and represent the main place for the stakeholders' participation. These groups, coordinated by EPURES, worked for the different political commissions and gathered institutional (EPCIs and the associated public) actors and socio-economic actors.

Almost all respondents agreed that these structures were crucial to the process. Likewise, in the opinion of most of them, the lack of participation of big commercial actors in the working groups (due to a clear political will) in particular may be considered as the weakest link of this territorial governance process. The appeal that led to the SCOT withdrawal was in fact presented by IMMOCHAN, the branch of Auchan Group responsible for managing the real estate group.

Overall, the arguments and examples above suggest the importance of **triggering institutionalisation processes** through territorial governance. The question of hierarchies and power relations is particularly acute when it comes to institutionalising new actions over time, which can lead to animated discussions. Institutionalisation expects a validation through the decision-making procedures by communities or management structures, and this may conflict with the lack of political will or various path dependencies. However, to this respect, "institutionalising" should not be an end in itself, nor should it imply

that a new system of rules must be created. Rather, it means that the ability to perpetuate routines that, according to practical evidence, can help streamline and reduce costs, lighten the burden of implementation, and reduce complexity. In all cases, new routines should be institutionalised to capitalise on methodological frameworks but without becoming rigid, so as to maintain maximum flexibility. While innovative procedures deserve to be institutionalised, it's important to ensure that institutionalisation does not introduce new constraints. In a broad sense, stakeholders or citizens can be prevented from or wary of involvement in new permanent structures.

4.3 Programming system based on performance

Despite differences among spatial planning systems in Europe, various national examples show that the success of any attempt to ensure **spatial consistency between public policies** is mainly dependent on the following factors (ref. 23):
- the existence of a basic agreement established at the political level on the major objectives;
- the institutional system of spatial policy within the political/ administrative system and the quality of procedures set up to settle conflicts or establish consensus;
- the availability of political and financial resources to organise communication and put in place processes to seek consensus and compromise.

As a successful example known to all EU Member States, the 25-year experience of cohesion policy has led to the establishment of a performative model of territorial governance. The model is based on the promotion of **non-binding policy programmes** fostering the progressive implementation of projects that are able to achieve the agreed upon collective strategy. According to EU cohesion policy regulations, only those projects expected to achieve the established Community strategy (currently the "Europe 2020" strategy; ref. 2) can be funded for implementation. While conformance is usually pursued through binding plans in accordance with some a standard or authority, performance focuses on the execution of an action or the fulfilment of a claim, promise or request. Only in this case, can an **effective selection of development projects** according to agreed and explicit evaluation criteria be achieved. Thus, progressive funding is beneficial to the physical and financial monitoring of project realisation.

It is interesting to note how the cohesion policy model is experienced as innovative, especially in new Member States, which have approached it later than other EU countries. The preparation of a regional operational programme in accordance with EU regulations was fundamental in formulating the main development targets both in the South Transdanubian region (box 4) and in the European Capital of Culture events in Pécs (box 9). This was also the case in the Ljubljana urban region (box 10), where the regional operational programme has operated as an effective tool for the integrated planning of transport infrastructure, economic development and land use at the capital city region level.

The experience of cross-border water management in the Rhine Basin (box 7), which benefited from EU structural funds from the 1990s onwards, is an excellent example of how the EU **multi-annual programming** can be a source of inspiration for promoting autonomous strategic development frameworks. In the Rhine Basin, this was based on a hierarchy of territorial units (in this case, river basins and sub basins), and on a wise combination of legally binding agreements and structural flexibility. While the Common Strategic Framework for EU cohesion policy in 2014-20 (ref. 3) will introduce some major improvements, such as the Partnership Contract between the EU and Member States and various instruments for the territorial development of specific sub-regional areas, an **alignment of national and regional programming systems** with the EU model would ensure consistent gains in overall efficiency.

4.4 Place-based rationale

Territorial governance is especially distinguished from other governance processes for its capacity to recognise and integrate territorial or place-based specificities and impacts. "Place-based" is an expression promoted during the preparation of reformed Cohesion Policy for the 2014-20 period (ref. 10), to indicate a development policy with an intentional focus on **three features**:
- the place-specificity of natural and institutional resources and of individual preferences and knowledge;
- the role played by the (material and immaterial) linkages between places; and
- the resulting need for interventions to be tailored to places.

The rationale behind this definition is that, in the context of a governance process aimed at development:

> "**place must be defined as a social concept**, a contiguous/continuous area within whose boundaries a set of conditions conducive to development apply more than they do across boundaries (i.e. relative to other places): natural and cultural circumstances and the preferences of people are more homogeneous or complementary, the knowledge of people is more synergetic, and positive externalities and formal and informal institutions are more likely to arise. The boundaries of places are thus independent of administrative boundaries, endogenous to the policy process and can change over time" (ref. 10, p. 5).

This is intended to favour spatially differentiated policies that take into account the diversity and potentials of territories and that eliminate barriers to cooperate.

From a **normative perspective**, a place-based development policy can be defined:
- as a long-term development strategy whose objective is to reduce persistent inefficiency (underutilisation of the full potential) and inequality (share of people below a given standard of well-being and/or extent of interpersonal disparities) in specific places,

- through the production of bundles of integrated, place-tailored public goods and services, designed and implemented by eliciting and aggregating local preferences and knowledge through participatory political institutions, and by establishing linkages with other places; and
- by promoting a system of multilevel governance where grants subject to conditionalities on both objectives and institutions are transferred from higher to lower levels of government.

Box 12 – Reinventing regional territorial governance - Greater Manchester Combined Authority

The governance of the Greater Manchester City has undergone a series of changes over the last 40 years, yet the city region has been able to maintain some forms of territorial governance. Its recent history dates back to 1974 when the Greater Manchester County Council was established as the city region authority coordinating certain activities among the ten district authorities. This continued until 1985 when the county council was abolished and its power was passed on to 10 district authorities. Fearing a loss of strategic governance capacity at the city region level, the district authorities voluntarily formed the Association of Greater Manchester Authorities (AGMA). AGMA also included the Greater Manchester Police, Fire and Transport Authorities. This collaborative arrangement enabled the elected officials and officers to maintain a degree of territorial governance at the city region scale.

In 1997, the Labour Government introduced new regional governance institutions including the North West Regional Assembly and Development Agency, which the Greater Manchester city region is related. These regional institutions did not survive the most recent change of government and were abolished in 2012. Meanwhile, the governance structure for Greater Manchester was given statutory authority in 2010 and the Greater Manchester Combined Authority (GMCA) was created. Currently, AGMA and GMCA exist in parallel, but the intention is to pass the governance role of AGMA to GMCA over time.

Throughout this period, AGMA continued to develop policy and strategic plans for the Greater Manchester City Region, defined predominantly by the **functional economic area (FEA) that is considered as the appropriate delineation for strategic planning**. The understanding of the city region as a FEA has allowed the development of an **adaptable and flexible** governance structure. This has been necessary, as the city region governance institutions have only limited budgetary control. It has therefore been necessary for AGMA and now GMCA to bid for national and EU funding to further their aims. Having become adept at managing this process, Manchester City can offer an interesting model for other city region governance building. At the heart of the governance structure are a series of partnership arrangements, which deliver cross-sector participation and public policy packing on a range of issues. The structure offers a combination of core stability and an adaptable and flexible approach to programme development and delivery. This combination provides an example of adaptive territorial governance that can potentially be transferred to other similar situations.

One indication of the success of this partnership approach is that it has enabled AGMA and GMCA to take advantage of a range of economic development policies such as the City Deal and Local Enterprise Partnerships to deliver major infrastructure projects (see Figure 2). Their success in delivering these programmes has now enabled them to influence the future development of these programmes.

In this light, one major problem for concretising a place-based rationale in a territorial governance process is its integration in the prevailing and established administrative or governmental systems.. However, excellent examples are present as well, including the water management case in the Rhine Basin (box 7), where the concept of a river basin and its specific needs have shaped the policy process and the governance framework in a difficult cross-border area. Stockholm's sustainable development (box 1) is an interesting example at the urban level: Greater Stockholm is one of the few regions that has a regional plan in Sweden, although it is not binding. Swedish municipalities have great deal of control over the urban development within their jurisdictions, which is often labeled as the municipal planning monopoly. Nonetheless, the regional plan has helped, at least in some cases, to coordinate activities between municipalities and to overcome hard boundaries.

More generally, the **concept of a "functional region"**, an area characterised by functional relations overcoming administrative borders, may help decision makers to approach a place-based rationale. Usually, a functional region is organised around one or several nodes, with surrounding areas linked to them by transportation systems, communication systems, and/or other economic activities. To be considered a functional region, at least one form of spatial interaction must occur between the centre(s) and other parts of the region. This concept can be defined in various forms and at different scales, according to the governance framework needs. A central delineation is the "functional urban area", as defined amongst others by the OECD (ref. 25) and by the ESPON platform (ref. 26). Another possible delineation of a functional region at a different scale is the concept of macro-regional strategies promoted in the framework of EU territorial cooperation (ref. 27).

5. Last reminders and warnings

After introducing some general principles, previous sections have suggested how **practitioners, policy makers** and **decision makers** can address the resources that they primarily manage – namely practices, techniques and rules – in order to foster good territorial governance in Europe.

This final section intends to supply all three groups with some last recommendations and warnings specifically concerning each of the **five dimensions of territorial governance**, presented in the introduction and addressed in previous sections:
- co-ordinating the actions of actors and institutions;
- integrating relevant policy sectors;
- mobilising stakeholder participation;
- being adaptive to changing contexts;
- addressing the place-based/territorial specificities and characteristics.

Each of the following five sub-sections aims a) to stress **some main aspects** that are specific to each of the aforementioned dimensions respective, but equally relevant for practices, techniques and rules, and b) to make explicit the **major risks and traps** concerning each dimension.

5.1 Set up flexible coordination based on subsidiarity

Vertical and horizontal interplay, primarily among different levels of government and between governmental and non-governmental actors, are relevant governance factors. These factors can be oriented towards practices, techniques and rules, as seen in previous sections of the handbook. However, good territorial governance can benefit from an overall coordination of these interplays, based on two main principles: **flexibility and subsidiarity**. Some clarifications in this respect are perhaps needed.

Flexibility does not mean the weakening of established government powers, rather a reduction of all constraints that challenge the **transparent and efficient exercise of government powers**. In the case of cross-border water management in the Rhine Basin (box 7), the flexibility of strategic frameworks and organisational structures allowed the two countries involved to work according to their respective administrative traditions.

As far as subsidiarity is concerned, while this principle is increasingly understood and applied in the vertical coordination of government levels (empowerment of local authorities), less is known about its horizontal implications in territorial governance. As observed in the ESPON TANGO case studies, **horizontal subsidiarity** refers to the empowerment of non-

governmental actors, and citizens in general, in their efforts to engage in development projects. If the certainty of existing land use rights and public control devices are ensured, negotiations and decisions on spatial development can be better faced at the single project level (rather than at the general planning level), as this is the level where the impacts and effects can be more carefully evaluated and considered. In the Stockholm experience of resource efficient urban development (box 1), negotiations and decisions at the project level have helped make the process more responsive to specific requirements for resource efficiency and environmental sustainability. Inversely, a lack of consistency between the design of strategies and projects is a main consequence of lack of horizontal subsidiarity, in the terms proposed here.

Risks and traps concerning the governing capacity

Weak institutional capacity or stability is a frequent source of problems for vertical and horizontal coordination. A lack of previous collaborative experiences has hurt the coordination process in the South Loire's SCOT (box 11) and in the management of Structural Funds in the South Transdanubian region (box 4), in which changes in government structure and staff were also frequent. Cross-border governance experiences are often exposed to problems of political instability. This emerged in both the water management of the Rhine Basin (box 7) and in the Trilateral Nature Park Goričko-Raab-Örség (box 5), where legal differences in the management of the three parks were evident. More specifically, the experience of neighbourhood planning in the North Shields Fish Quay (box 6) has shown that the governing capacity can be lost if there are no mechanisms to capture the capacity developed during the production of a plan or programme.

Other risks in this domain concern the **inadequacy of the adopted tools**. This is often due to the preference for "soft planning" instruments in cases where they are not suitable. In the StedenbaanPlus initiative (box 2), the exclusivity of soft instruments may have weakened decision making powers. The same is true for the spatial planning strategies and regional development policies in Ljubljana Urban Region (box 10), which were exclusively based on coordination and cooperation between municipalities and service providers through a strategic platform. Another possible inhibitor is the **lack of political will for the inclusion** of economic stakeholders, as shown again by the South Loire's SCOT (box 11). Finally, **insufficient financial autonomy** at the local and regional levels has affected the effectiveness of Structural Funds allocation in the South Transdanubian region (box 4), where local governments do not have enough development recourses, and it decreased their decision-making role within the whole governance structure.

Risks and traps concerning leadership

Uncertain leadership may be a major cause of a reduced governing capacity that affects vertical and horizontal coordination. Uncertainty of leadership is very

often due to *external factors*, such as **power struggles** among levels of government (vertical), between public authorities or organised individuals (horizontal). These two types of conflict were both evident in preparation for spatial planning and transport strategies as part of regional programming in Ljubljana Urban Region (box 10). In this case, a lack of overall leadership was evident in a process that primarily involved the City Municipality of Ljubljana and smaller municipalities and also included other institutions. In the StedenbaanPlus case (box 2), power struggles have occurred between institutions and between the individuals involved in this initiative. In the Pécs European Capital of Culture case (box 9), these challenges resulted from the central government's attempts to hinder the local government's financial and decision making competencies.

Uncertain leadership may also be due to *internal factors*, such as a **lack of authority**. In the case of planning for resource-efficient urban development in Stockholm (box 1), leadership was contested due to conflicting territorial goals among various actors and institutions. In the North Shields Fish Quay's experience of neighbourhood planning (box 6), leadership proved to be too dependent on individuals volunteering with the necessary skills, with conflicts between the need to undertake professional tasks and a group of non-professionals undertaking the task. Another internally developed factor is the **unclear division of responsibilities**. This was particularly evident in the experimental target-based tripartite agreement among the European Commission, Italian government and the Lombardy Region (box 3). However, this was due more generally to the absence of political engagement, like in the South Loire's SCOT (box 11). Finally, **scant previous experience in partnership-making**, like in the management of Structural Funds in the South Transdanubian region (box 4), can result in uncertain leadership.

Risks and traps concerning vertical subsidiarity

The major challenge with vertical subsidiarity is the **persistence of unjustified centralisation**, which is still particularly frequent in Eastern European countries. For instance, the dominance of the City of Ljubljana over smaller municipalities in the implementation of spatial planning strategies in the Ljubljana Urban Region (box 10) did not seem to be appropriate to the specific territorial governance aims. The same is true with the dominant role of the central government and the centralised management of Structural Funds for the European Capital of Culture events in Pécs (box 9). A lack of decentralisation processes in the Structural Funds institution has also affected the South Transdanubian programme (box 4). The **lack of local political motivation**, as shown by the mayors' scarce participation in the preparation of the South Loire's SCOT (box 11), shows the other side of the coin.

5.2 Create a rationale for policy integration

Another aspect that characterises good territorial governance is the **capacity to integrate relevant sectors of public policy**. Previous sections have shown what this may imply in terms of practices, techniques and rules. All ways of promoting policy integration can be enhanced through the definition or even the creation of **one or few specific and clear rationales or goals** that justify integration. This implies transition costs that have to be compensated for with a shared motivation. Project experiences have shown that the various stakeholders at different levels of action need to be strongly motivated to overcome often-convenient routines and path-dependencies. The resource efficient urban development in Stockholm (box 1) is an excellent example of how the focus on an environmental rationale for the project, as a clear and concrete goal, has pushed to integrate policies for various aspects of planning and resource efficiency.

In contrast, one should carefully **avoid the risk of a sectoral rationale dominating over others**. The same Stockholm example has shown that the economic rationale prevailing in the urban planning approach in general hampered governance processes and the further implementation of resource-efficient urban development projects across the city. The case of climate change adaptation in the Baltic Sea Region (box 8), where the initial strong environmental rationale made the governance process more rigid, shows that a certain rationale is not per se "good" or "bad" however. The same rationale (environmental preservation in this case) can promote (Stockholm) or inhibit (Baltic Sea Region), based on the specific aims and features of each territorial governance process.

Risks and traps concerning institutionalisation

Two further groups of problems can affect the achievement of policy integration. One relates to the domain institutionalisation and may concern, first and foremost, an **incomplete or faulty involvement of stakeholders**. For example, the frequent lack of a comparable representation by sectors (decision and policy makers) at the same table has caused some policy integration problems in the coordination of land-use and transport planning in Southern Randstad. This was an important rationale for establishing the StedenbaanPlus initiative (box 2). The exclusion of local cultural stakeholders interested in local development has limited the effectiveness of the Pécs events as the European Capital of Culture (box 9).

This is sometimes due to a **sector silo-mentality** among stakeholders, as observed in the case of Trilateral Nature Park Goričko-Raab-Örség in the Alpine Adriatic area (box 5), the Stockholm case study (box 1) and, to some extent, in that of North Shields Fish Quay (box 6). But a **weak institutional capacity or stability** may also cause this kind of problems. The lack of a strong and stable governmental department of regional policy has negative affected the management of Structural Funds in the South Transdanubian region (box 4). In

the case of local enterprise partnerships in Greater Manchester (box 12), the poor links with wider civic society were observed as problematic with respect to policy integration.

Risks and traps concerning technical devices

The other group of problems concerns the domain of technical devices and may concern, first and foremost, the **lack or inappropriateness of mechanisms for coordination**. Problems of this nature emerge especially in less consolidated administrative contexts. The lack of a planning tool at the NUTS 3 (statistical) regional level has made it difficult to coordinate sector policies in the implementation of spatial planning strategies and regional development in the Ljubljana Urban Region (box 10). The lack of mechanisms for collaborative regional planning has proven to be problematic in planning of Structural Funds in the South Transdanubian region (box 4). Further, the experiment of the target-based tripartite agreement among the European Commission, the Italian government and the Lombardy Region (box 3) was hampered by the uncertain references to national or regional legislative and planning contexts.

Problems of policy coordination are reflected very often in the **lack of financial consistency among measures** to be implemented. A separation of financial mechanisms for cultural, urban, infrastructural and economic development has created problems concerning the European Capital of Culture in Pécs (box 9). A lack of consistency in how resource efficiency is achieved/promoted between projects was evident in Stockholm's urban development experience (box 1). Finally, the **absence of a territorial approach** may also affect policy integration, as seen in the case of cross-border water management in the Rhine Basin (box 7), where spatial planning was excluded from cross-border cooperation.

5.3 Involve the appropriate actors

Previous sections have shown that practices, techniques and rules are variously useful to **mobilise stakeholder participation** in territorial governance. Mobilisation, however, can contribute to the success of territorial governance insofar as it is organised to **actively involve stakeholders that are particularly affected or concerned** by the specific governance process. With this in mind, participation should be understood and applied not just as a requirement to be respected or as a right to be granted; but rather as a resource which is crucial to effective territorial governance. The formal involvement of regional organisations proved useful in the South Transdanubian operational programme (box 4), as was the case with the active local civic engagement at the starting phase of Pécs' efforts to become a European Capital of Culture (box 9). The involvement of NGOs on all decision levels was instead one key tosuccess in the cross-border water management in the Rhine Basin (box 7).

In contrast, one should **be wary of the missing or misleading mobilisation of stakeholders**. The lack of participation among commercial actors has limited the

effectiveness of the South Loire's SCOT (box 11). In the North Shields Fish Quay's experience of neighbourhood planning (box 6), the involvement of individuals not related to the case created the risk that the community could end up being underrepresented in the process.

Risks and traps concerning political responsiveness

A central series of problems in this domain concerns the political responsiveness to participation. A first issue is related to the **limited public accountability** of decision makers, which is often hidden behind traditional procedures of consultation, as shown in the North Shields Fish Quay's experience (box 6). The case of resource efficient urban development in Stockholm (box 1) shows that short term interest, with frequent shifts of focus to new projects, can affect public accountability in the long term. In the Ljubljana Urban Region's experience (box 10), limited public accountability provoked an increase in personal contacts, with the limited involvement of the civic society, which resulted in an insufficient institutional synergy. Further, in the Pécs case (box 9) suffered from domination by the political elites and closed networks in the governance process. The Ljubljana case also illustrated the second issue, a **limited attitude to cooperation** from public authorities. Here a competition based on different, fiscal advantages and the allocation of funds between 26 municipalities of different size has also weakened stakeholder involvement.

Risks and traps concerning the quality of mobilisation

Another domain that can affect stakeholder involvement concerns the quality of mobilisation. **Timing** is an important issue, since late involvement is generally not useful and very often counterproductive. The experience in Stockholm (box 1) shows that late public participation in the process can be a consequence both of legislative provisions and of bureaucratic attitudes. A second issue concerns **communication within the process**, as it was shown in the South Loire's SCOT experience (box 11), affected by a limited institutional communication. In the Ljubljana Urban Region (box 10) an insufficient communication among stakeholders weakened the institutional capacity and the allocation of political resources. In the Pécs European Capital of Culture events (box 9), limited communication between public authorities and the civil society, and between the central and local levels, was interpreted as a lack of trust in local intelligence. A final issue affecting the quality of mobilisation is related to the **external transparency** of governance processes. The Stockholm case highlighted the negative consequences of limited transparency in negotiations between urban developers in the decision making process and in the realization of projects.

5.4 Pursue a shared understanding of the changing context

Practices, techniques and rules can make **territorial governance adaptive to changing contexts**. A general precondition is the need to shape a **common understanding of issues at stake**. This proved to be successful for cross-border water management in the Rhine Basin (box 7), for instance. The practical need to cope with unexpected crisis situations during the project realisation has created various opportunities to connect governance levels and to unify the decision-making process. This was also the case of the European Capital of Culture event in Pécs (box 9).

Conversely, **a limited collective reflexivity can limit** effective territorial governance, as shown in the neighbourhood planning experiences of North Shields Fish Quay (box 6), despite being based on previous community development. The same was true for the spatial planning and transport strategies in the Ljubljana Urban Region (box 10), where a response to the economic crisis was rather slow due to a delayed adaptation and use of available instruments and funds for the implementation of public transport infrastructures.

Risks and traps concerning the framework conditions

A series of difficulties that threaten the capacity of territorial governance to be adaptive to changing contexts depend on framework conditions, such as an **excessive institutional complexity or instability**. In the Pécs case (box 9), a complex structure, frequent organisational changes and fluctuation in staff have made a serious adaptation strategy almost impossible. In the management of Structural Funds in the South Transdanubian programme (box 4), an overly complex institutional system and lack of transparency in the division of labour within it led to an inflexible and centralised system.

In the same case, the limitations due to the rigid and centralised structure of the National Development Agency suggest that **excessive rigidity in the governance structure** can be an opposite but equally problematic issue. A third kind of problems concerns the **absence of feedback procedures**. This was the case in Stockholm (box 1), where the lack of feedback loops to reflect on various components in urban planning (institutional, technical, instrumental etc.) has limited social learning.

Risks and traps concerning subjective disposition

A different ensemble of problems concerns the subjective disposition towards change and adaptability exhibited by decision and policy makers involved in a territorial governance process. In a multi-actor process, individuals in positions of responsibility can have a strong influence on new paths for action. With this in mind, the **prejudice or limited strategic thinking** is certainly a major factor

counteracting good territorial governance. In the Stockholm experience no mechanisms for adaptability were installed due to the strong belief in continuing population growth and demand for housing. This was also true in the case of neighbourhood planning in North Shields Fish Quay (box 6), where limited strategic thinking has restricted the possibility to revisit the decisions over time. More generally, **uncertain or blurred strategies** tend to contrast a territorial governance approach that is adaptive to changing contexts. The case of climate change adaptation in the Baltic Sea Region (box 8) shows that overly soft strategies can have little "bite", especially in large and/or "new" territories.

5.5 Adopt a multi-scalar vision

Territorial governance is particularly distinguished from other governance processes for its orientation to **address place-based specificities and characteristics**. This has various implications for practices, techniques and rules, which are united by the common goal to understand **place-based characters as the product of multi-scalar dynamics**. Such understanding proved to be valuable in the elaboration of spatial planning and transport strategies in the Ljubljana Urban Region (box 10). In this case the representation of multi-level governance needs made it possible to achieve the purpose of the public transport intervention: accessibility to all residents in suburban and rural municipalities. The intervention took consideration of the overall consensus of all stakeholders and inhabitants. The same was true in the StedenbaanPlus initiative for the coordination of land-use and transport planning in Southern Randstad (box 2).

Avoiding the spatial de-contextualisation of development projects is therefore important, as shown in the Stockholm experience of resource efficient urban development. The particular project mentioned there (box 1), albeit promoted within the aims of Stockholm as a Walkable City, was considered in isolation from other projects that were planned or on-going in the context of the urban region.

Risks and traps concerning the geopolitical context

Difficulties in adopting a place-based approach depend very often on the geopolitical context, regardless of the scale of the governance process at stake. These can result from a **weakly structured institutional framework**. In the Ljubljana Urban Region case (box 10), which is not an administrative region, individual municipal mayors were allowed to represent territorial interests without a joint vision. In Pécs (box 9), the lack of elected regions and the weakness of county governments have limited the sharing of a place-based approach in a broader regional sense.

Problems can also relate to **administrative disputes on the territorial scope definition**, as emerged in the strategy for climate change adaptation in the Baltic Sea Region (box 8). Uncertain definition of the intervention areas was a problem

characterising both the Target-based Tripartite Agreement among the European Commission, Italian government and the Lombardy Region (box 3) and South Loire's SCOT (box 11). In the Stockholm experience of resource efficient urban development (box 1), municipalities did not have the same aims (e.g. as regards to respond to the growing demand for housing) and a zero-sum game mentality has been present. For the same reasons, the initial egoism of the City has hindered cooperation with the region in the Ljubljana Urban Region's case.

Risks and traps concerning the technical approach

A last group of problems relates to the technical approach adopted, which is not always suitable to address the place-based specificities and characteristics. One typical risk of ineffectiveness depends on the **limited use of existing territorial knowledge**, as was suggested in the strategy for climate change adaptation governance in the Baltic Sea Region (box 8). This has been more evident in Stockholm's case (box 1), particularly regarding the absence of ex-post analysis, that has allowed modernist planning traditions to continue influencing urban development. Accounting for the specific characteristics of each territory proved to be a problem in the experience of South Loire's SCOT (box 11), while in Pécs (box 9), local knowledge (recommendations from local business sectors, artists, planners and other professionals) were ignored during the implementation phase.

The **degree of complexity of programming tools** can also affect the opportunity to adopt a place-based approach. Place-based approaches can be seen as too complex, like in case of the Trilateral Nature Park Goričko-Raab-Örség in the Alpine Adriatic area (box 5), where the regional development programme (top-down and bottom-up) process needs to mix EU and national rules. However, other times they do not appear to be specialised enough, like in case of the Structural Funds' South Transdanubian operational programme (box 4), in which only some "leftover" sectors have been involved, diminishing complexity. Finally, **time constraints** should not be neglected, as shown in the Ljubljana Urban Region's experience (box 10), where there was insufficient time to develop common territoriality.

Message to the reader

Handbooks, with a discursive character like the present one, rarely end with conclusions. They are addressed to share and improve operational learning that, by definition, is a progressive and never-ending process. In the hope that this guide can prove to be of some usefulness, practitioners, policy and decision makers concerned with territorial governance in Europe will certainly be able to acknowledge its major strengths and weaknesses in carrying out their activities. New challenges and opportunities for territorial governance will emerge meanwhile, and further analyses will be developed, widening the range of case studies and increasing the amount of evidence-based knowledge. All of this will perhaps lead to an updated edition of the ESPON guide on territorial governance, or to a brand new one.

Rather than a conclusion, this short final section is a message and thanks to the reader, with the recognition that territorial governance will keep us engaged with common purposes and issues, directly or indirectly, well into the future. The guide's authors have particularly appreciated the "stakeholder workshop", held in Brussels on March 20th, 2013. It involved a sample of the handbook target group in some practical exercises to test the analyses carried out. The workshop results have been of great value for framing this guide. Learning from the experience of directly involved players is crucial for a complex policy field such as territorial governance. The hope is that after this guide's publication, the ESPON platform can operate as a tool for collecting reactions and suggestions from stakeholders.

As a final comment, the image of the Rubik's Cube remind us that in territorial governance, no player can decide all moves, but all moves can contribute to change the overall context. The continuous cooperation of scholars and territorial governance stakeholders may therefore be a perhaps minor, but necessary, step towards the common aim of making the EU a smart, sustainable and inclusive place.

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