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Inspire Policy Making with Territorial Evidence

WORKING PAPER

**Governance, planning
and financial tools in
support of polycentric
development**

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1.

Introduction

This working paper builds on existing evidence produced by ESPON highlighting that, in order to persevere with polycentric development, governance and planning tools have to be taken one step further at all territorial levels: EU, national, regional and local. This working paper is guided by the following questions:

- How can polycentric development be supported and exploited?
- What are the links and synergies between sectoral policies and polycentric territorial development? What is the influence of the polycentric territorial development on the territorial potentials in the context of regional development, agglomeration areas, city networking, urban-rural linkages, etc.?
- What are the tools and approaches for supporting polycentric development? What are the advantages and disadvantages of each approach covered in the study?

ESPON understands polycentricity as a concept that encourages regions and cities, working with neighbouring territories, to explore common strengths and promote more functional links and interactions among places. Polycentric development can create critical mass by combining the efforts of urban centres, while delivering more balanced development between regions and more cooperative and functional urban-rural linkages.

Therefore, polycentric development becomes crucial to overcome the impact that the recent worldwide economic and financial crisis has left inside Europe. However, fostering polycentricity through cooperation is more difficult than it seems in the current scenario of interdependencies between actors, institutions, functional activities and spatial organisations with different, fragmented and often competing interests.

Facilitating territorial cooperation and networks towards polycentric development involving a large number of stakeholders demands a step further in the definition of governance and planning tools. In order to do that, existing policy frameworks need to be revised and new ones defined at EU, national, regional and local scales. In particular, a stronger place-based and endogenous approach and tailor-made interventions is a must to strengthen and intensify cooperation.

Based on these questions, this working paper aims to provide arguments and inspiration for those who are engaged in developing and implementing regional development policies and the development of the EU Territorial Agenda and Cohesion Policy after 2020. This working paper seeks to attract interest not only from traditionally engaged players such as policy-makers, professionals and academics in planning and policy, but also from national, regional and local politicians and decision-makers, and emerging stakeholders from the private sector as well as from civil society organisations and social movements.

In order to build up arguments and insights into governance and planning tools to support polycentric development, the results of recent applied research and targeted analysis undertaken by ESPON – Comparative Analysis of Territorial Governance and Spatial Planning Systems in Europe (COMPASS) Regional Strategies for Sustainable and Inclusive Territorial Development (ReSSI), Spatial Dynamics and Strategic Planning in Metropolitan Areas (SPIMA) and Thinking and Planning in Areas of Territorial Cooperation (ACTAREA) and by the Directorate-General for Regional Urban Policy (DG REGIO) Study: Integrated Territorial and Urban Strategies: how are ESIF adding value in 2014-2020? - are used to illustrate possible solutions and experiences with many case studies in a range of diverse territories within the EU.

2.

Challenges of polycentric development

Currently, in some parts of its territory Europe is facing a re-emergence of social and political forces that emphasise division to recognise its diversity and territorial specificity, while in parallel the world is increasingly becoming more interconnected. Such divisions appear contradictory within a wider context of interconnection and in the light of the debate on the Cohesion Policy

after 2020 in the EU. A territory's diversity can be an argument to unite or to divide, depending on the mind-set of its inhabitants and its politicians. In this context, polycentric development becomes crucial. It contributes to creating a new culture of public policy and public action by acknowledging similar territorial realities, sharing common challenges and searching for integrated solutions. However, the level of awareness and understanding among various publics of its potential to transform diversity into territorial competitive advantages and prosperity cannot be taken for granted. Further support is still needed if we seek long-term networking, cooperation and linkages among territories. The following challenges have to be considered and taken into account.

2.1. Understanding and awareness of the potential of polycentric development

The concept of polycentric development, simple as it may look, is a complex one, with potential to be interpreted in different ways or underestimated. The levels of awareness and understanding of the benefits of territorial networking cooperation are different among academics, among professionals and among the technical and the political levels of public administrations. Often, local administrations are suspicious of cooperation and networking because they fear losing their autonomy in decision-making about their territory.

Despite the demonstrated potential of cooperation, external benefits and missed opportunities are not systematically taken into account. In general, though, people do not become as aware of the lost opportunities as they do of the need to handle everyday conflicts.

Changing these attitudes requires strengthening policy tools and expanding research and data available to develop an integrated vision of the benefits of polycentric development. The former requires creating favourable arenas for cooperation engagement (e.g. state recognition and legitimacy, financial incentives and support, legal instruments, and visibility). The latter demands new methodologies, approaches and data gathering to increase our understanding of the increasing complexity of the territorial and socioeconomic dynamics and to develop evidence (e.g. monitoring indicators) of the benefits and impact of polycentric development in solving and improving basic service provision, development planning, etc. There is a need to move from a focus on polycentric development as a policy tool to a cultural trait, a territorial social practice.

2.2. Deeper integration between sectoral policies and polycentric development

As mentioned before, polycentricity encourages networking and cooperation among neighbouring territories in order to create common benefits across different political, sectoral and spatial interests. However, if cooperation initiatives grow in many countries in Europe in a variety of fields that have a narrow approach and a silo mentality, difficulties will persist for a real integration of sectoral and spatial policies towards polycentric territorial development. The concept of spatial planning has yet to reconcile functional relationships between socioeconomic and physical dynamics. Therefore, the action fields and strategies of the government departments responsible for spatial planning and the departments responsible for economic development (other areas could be included as well, such as environmental protection, social issues, transport and mobility) should be more coordinated towards a shared goal.

In general, horizontal coordination has yet to be achieved between governance structures and schemes that would further polycentric development. There is much more focus on vertical than on horizontal coordination and cooperation.

In this sense, integrated policy approaches are needed to address and promote cross-cutting processes that help to build complementary (as opposed to competitive) inter-urban and other kinds of territorial relationships.

Finally, new issues which have a growing impact on our territories, such as mass tourism, youth unemployment or migration, will encourage new types of cooperation between territories that are not neighbours but are searching for solutions and joining efforts to solve common problems and challenges.

2.3. Commitment and political leadership

One of the key lessons learned from all the case studies analysed is that governance for collective action requires great capacity for consensus building and long-term commitment. In a way, there is no single recipe. Most of the cases demonstrate that cooperation is often set off by taking advantage of opportunities (e.g. existing traditions of cooperation, an unexpected problem, a funding source or incentive, a legislative change) and building upon this first initiative a cooperation framework that ideally will remain and evolve over time. In general, those cases also show that any cooperation process involves four types of capital or assets: intellectual, social (cultural norms and values), political and material. Of these four, we want to concentrate on political capital, which implies engaging politicians and other influential stakeholders in a real cooperation going beyond general discourse and a broad strategic approach. This is not a simple process. There are many implicit hierarchies and political equilibriums, as well as ideological positions and inertia, that are threatened by cooperation and coordination schemes. Political commitment and engagement in the long term and political leadership are the two requirements to exploit political capital. Political commitment is important to guarantee openness, participation, accountability, effectiveness and coherence as well as stability even when the political partners may change along the process. Political engagement is important for creating a favourable arena for dialogue and building trust among the stakeholders. Finally, the management of different timings – political cycles versus cooperation for long enough to achieve real impact on the ground or tangible results – is also a key challenge to take into account from the very beginning in the design of the collaboration process. The leitmotiv should be “It’s about places and people, and not about parties” (said by the Mayor of Greater Manchester).

2.4. Resources allocated

The second challenge linked to political commitment is the availability of resources allocated to support polycentric development policies, in terms of human as well as financial resources. In a time of shortages and scarcity of resources, polycentric development has the potential to do more with less. In this regard, there are two challenges that any policy supporting polycentric development has to take into consideration: on the one hand, how to better integrate funding programmes and sources at the EU and national levels (e.g. the integration of European Structural and Investment Funds (ESIF) for integrated territorial development with other national sources of funding), and, on the other hand, how to better integrate sectorally focused funds (e.g. the cross-sectoral integration of agricultural policy funds with environmental protection ones). An additional challenge regarding financial resources is the allocation of regular/permanent funds by national, regional and local governments for long-term territorial cooperation and networking activities. Networking and cooperation case studies analysed by the three targeted-analysis documents show that project-based funds are allocated only for the lifetime of a particular project, rather than on a regular basis. Therefore, there are no specific funds allocated for continuous operational costs, in a scenario of long-term cooperation. Such lack of resources puts at risk the capacity to keep the cooperation arrangement alive once the intervention has been implemented, to explore new and further areas of common interest. This is the case, for example, with the Corona Verde project in the Piedmont Region in Italy (Box 1).

3.

Approaches and tools for supporting polycentric development

Many European states, cities and regions have developed a variety of horizontal and vertical cooperative ventures around either single issues of shared interest or wider strategic issues. This is illustrated by the proliferation of institutional networks, partnership arrangements and governance inter-relations. Implementing win-win solutions across the scales of government and the sectoral policy issues is a key challenge for supporting polycentric development. The research documents referred to in this working paper indicate that it can be promoted by governance and planning tools and approaches.

3.1. Governance approaches and tools

New urban forms and configurations have emerged as a result of the continuous transformations of European cities from social, economic and environmental perspectives. Those transformations show that traditional governmental levels are facing increasing difficulties in tackling what has been named the *de facto* city and that a better *spatial fit* or dynamic and evolving challenges of urban spatial development has to be designated. In their attempts to find a way out by adapting traditional government structures, the *de jure* city, to address the new reality, there are many initiatives among the Member States that see local governments working together and exploring different arrangements of territorial cooperation areas (TCAs), such as metropolitan areas. The discussion of a better “spatial fit” governance level is happening all over Europe, and the solutions given are based either on hard means (new legislative arrangements, as in France or Italy) or on soft means (communities of interest and areas of action, as in Switzerland).

Table 1

Governance in hard and soft means

HARD MEANS	SOFT MEANS
<p>More top-down Tied to legal procedures and statutory, financial and discursive instruments Identified boundaries engaging existing administrative structures</p>	<p>More bottom-up Focusing on communication, coordination and establishing coalitions with other actors “Communities of interest” Fuzzy boundaries</p>

3.1.1. Hard means of governance tools

France and Italy have recently rearranged their traditional institutional structures in order to support new government arrangements that fit better into their territorial realities. In both cases, the metropolitan level of government has been formally institutionalised with different particularities:

- In France, while the national level creates the legal framework for cross-municipal cooperation (hard means and top-down approach), municipalities voluntarily decide whether to join the metropolitan area or not. Financial incentives have been set up to encourage municipalities to join them.
- The Italian government, by acts and legislative actions, has created 14 new metropolitan areas (Map 1), as in the case of Turin, abolishing the former provincial structures in those territories. It has also abolished the old structures in non-metropolitan areas; in the process, provinces have lost the majority of their competences and resources to the regional authorities.

In both cases, the national government action is an attempt to adjust government structures to changing realities. They are trying to rationalise the provision of services by searching for a more coherent spatial structure of functions and flows, while reorganising government structures based on subsidiarity, rationalisation of resources, and integration of solutions and policies. These two different initiatives for territorial cooperation put the focus on vertical coordination between government levels, create the space to fit the metropolitan scale and establish the rules to avoid or reduce interference interests on local level.

Map 1

Italian metropolitan cities after Law 56/2014



Source: ESPON ReSSI, 2017a

Table 2

Advantages and challenges of governance tools by hard means

ADVANTAGES	CHALLENGES
They endorse state recognition and legitimise territorial cooperation areas, for example metropolitan areas, as the most appropriate territorial expression of the <i>de facto</i> city.	The formal status of the collaborative areas is not in itself sufficient to operationalise a collaborative planning approach in practice.
They open the possibility of interacting directly with the national level, thus bypassing the regional level or other levels in between.	Their effectiveness as a coherent planning mechanism has to be proven, and it would require some time.
They allocate regular/permanent resources to a territorial level with the capacity to deal with basic services: transport, waste management, policing, etc.	They require a cultural change to adapt to the new cooperation schemes, for many stakeholders who are not only directly but also indirectly affected.
	legislation has to go hand in hand with reforms in former institutions, including their jurisdiction, capacity and identity, and the operational and political power assigned to them.

3.1.2. Soft means of governance tools

In parallel with this formalised approach, there are other arrangements based on ad hoc collaborative agreements at various spatial scales, project-based initiatives using spatial concepts for varied and specific purposes. This is the soft means approach that aims to coordinate territorial development between regions, cities and municipalities. Examples of this type of approach are

the different arrangements of Vienna, Prague, Brno, Brussels and Oslo – to tackle territorial cooperation in general and metropolitan scale in particular – or the Swiss action areas for inter-regional and cross-border cooperation.

Vienna displays a variety of different territorial arrangements supporting cooperation and polycentric development. They drive mostly by sectoral policies such as monitoring urban growth, integrated public transport, waste management or economic development. Some of these associations or initiatives are the *Stadtregion+*, comprising 238 municipalities, which forms a basis for strategic planning at this level; the VOR (*Verkehrsbund Ostregion*), an integrated transport system shared by three regions whose total population is almost double that of the *Stadtregion+*; and the functional linkages that can also be put into an organisational framework by local municipalities, such as waste management or economic development. In Vienna, territorial cooperation areas are not attached to a single fixed territorial configuration but are the result of the best spatial fit for each objective or issue of cooperation.

In other cases, where there is no consolidated cooperation culture, targeted analysis of SPIMA illustrates how to create conditions for supporting polycentric development. These are the cases of Poland and the Czech Republic, where EU programmes and policies (for example the Integrated Territorial Investment Programme) have served as key incentives for starting up a variety of initiatives at the metropolitan scale. In those cases, the central government has been the stakeholder that instigated supporting and building up TCAs.

Brussels is one of the territories where cross-border cooperation is a must. There is no formally instituted TCA, although three delineations have been considered and are still under discussion in an attempt to build consensus among the different territories. Despite the current mistrust between entities working at the metropolitan level, relations between communes and regions, even cross-border, need to be strengthened. The implementation of such cooperation schemes has to be built on flexible instruments and structures, enabling targeted concrete cooperation, rather than complex structures. It must form a meeting place and space for dialogue and consensus building.

Swiss action areas (AAs; detailed information in Box 2) deserve particular attention. In Switzerland, there is an already rich cooperation landscape, with a wide and diverse range of pre-existing collaboration initiatives. AAs are new forms of supra-regional collaboration with fuzzy and flexible boundaries that cross administrative boundaries within the country and link urban and rural development policies. Four types of AAs can be identified, depending on the geographical context in which they take place: collaboration in metropolitan areas, in small and medium-sized town networks, in Alpine areas and extended to cross-border contexts. The four types are mostly focused on the implementation of the Swiss Spatial Strategy and push TCAs to evolve from a sectoral and regional approach to a multi-sectoral, global and supra-regional way of thinking and planning. Small and medium-sized town networks and Alpine area initiatives on collaboration could be of special interest for other European territories with similar conditions. The former provide the opportunity to overcome the habits of rivalry between small and medium-sized centres by bringing together the interests of urban municipalities through inter-municipal and inter-cantonal collaboration, and to position these municipalities in relation to the influence of big metropolitan areas. That happens in the Jura region. The latter can help to overcome the territorial fragmentation of Alpine areas and to establish communities of intent or of interest in the field of ecosystem services.

Collaboration in cross-border contexts still faces many constraints and difficulties due to a variety of differences (e.g. regulatory, institutional, economic, social and cultural). AAs could become a good approach to expand cross-border cooperation, to overcome the lack of permeability and to capitalise on the differences and on the flows that they generate.

Table 3

Advantages and challenges of governance tools by soft means

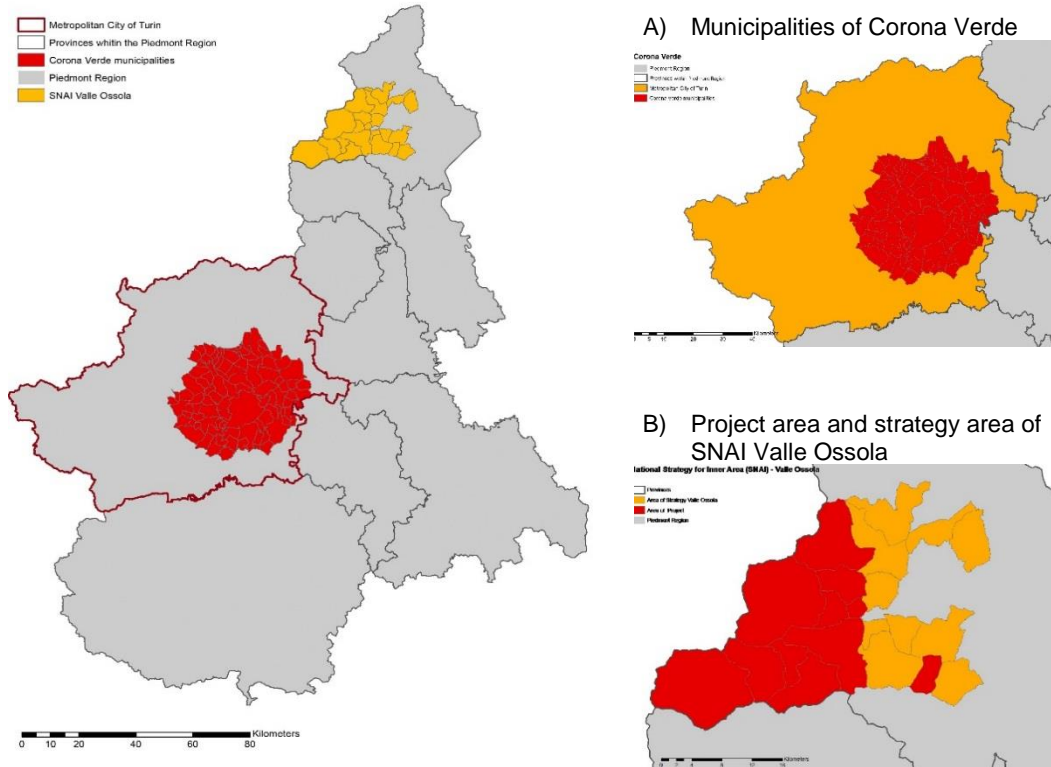
ADVANTAGES	CHALLENGES
They mainly focus on identifying, structuring and promoting groups of stakeholders in a specific territory that share a vision of development.	In Austria, there are no direct financial incentives at the regional or federal level connected to the formation of such associations.
They are completely oriented towards spatial fit, the right scale for each topic.	They demand a culture of cooperation that is not necessarily present in all the territories (cultural barriers).
They are definitely the most flexible and adaptable schemes over time.	They require high levels of political, social and intellectual capacity.
They allow a variety of forms of cooperation.	They can create frictions with formal government structures if the topics of interest overlap.
It is easier to engage different type of stakeholders, such as the private sector and community organisations, and not only the different levels of government.	
They facilitate not only vertical but also horizontal cooperation and coordination.	

In summary, the above cases of TCAs reflect top-down and bottom-up approaches which depend upon who is leading or instigating the cooperation. In the Czech Republic, France, Italy and Poland, it is the central government that instigates the cooperation and delivers an overarching framework for such cooperation; Switzerland, Austria and Brussels select the bottom-up approach. The latter approach allows actors to flexibly identify the most relevant issues, partners and methods to deal with a particular issue.

Furthermore, the variety of cases proves that either hard or soft means can contribute to support polycentric development and that, once the culture of cooperation has become embedded in the way territories and stakeholders work, it does not matter anymore whether the governance structure is legally formalised or not. In the former case, the TCAs will correspond to a fixed territorial boundary, while the latter will be driven by a thematic logic within a flexible boundary. There is no conclusive evidence to demonstrate which one is more efficient in dealing with cross-sectoral issues. Actors may choose to use soft means for strategic reasons, e.g. because they want to organise coordination and address identified challenges without creating an additional formal structure that adds to institutional complexity, or because they see themselves as complementary to existing and more institutionalised collaborations.

Map 2

The two case studies of Piedmont Region: A) municipalities of Corona Verde; B) project area and strategy area of Strategia Nazionale Area Interna (SNAI) Valle Ossola



Source: ESPON ReSSI, 2017a

Box 1

Case study of governance tools by hard means: Piedmont region

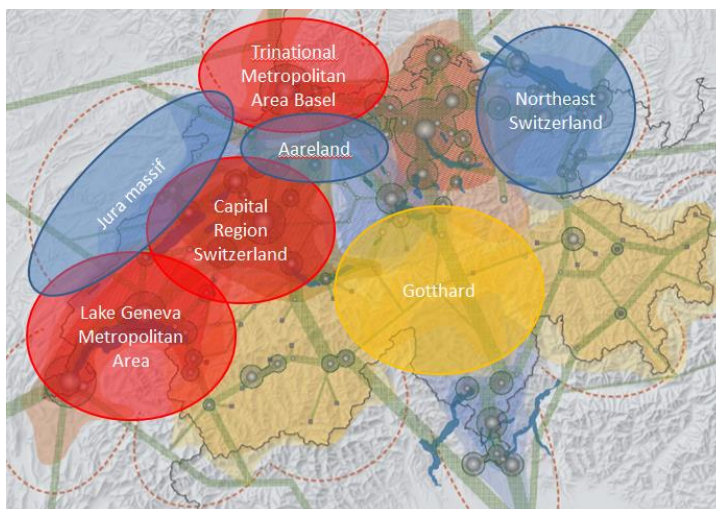
CONTEXT	
<p>With a new administrative division of the territory into 14 metropolitan cities, provincial budgets, powers and resources have decreased. Likewise, the Metropolitan City of Turin has been subdivided into 11 homogeneous areas in an attempt to find a more coherent spatial structure for functions and flows, and more democratic representation of the different spatial areas.</p> <p>In addition, the economic crisis has, on the one hand, reduced Italian public budgets but, on the other, it has developed the cooperation capacities of public actors. It has also raised the question of what to do once the funding comes to an end.</p> <p>Piedmont regional authority is now required to play a twofold role concerning the promotion and coordination of the development on its territory: it is called upon to explore and fine tune its relationship with the new Metropolitan City of Turin while, when acting outside the metropolitan city, it should interact directly with the municipalities, as it can no longer rely on the coordination role of the provinces.</p>	
<p>The Corona Verde project, Turin</p>	<p>National Strategy for the Inner Area of Valle Ossola</p>
SUMMARY	
<p>In 2000, 24 municipalities within the ancient province of Turin – the current Metropolitan City of Turin – developed a new vision for the metropolitan area based on an innovative strategic plan, funded by the EU structural funds.</p> <p>Nowadays the strategic plan is supported by 93 municipalities valorising city landscape, taking a</p>	<p>The implementation of the Strategia Nazionale Aree Interne (SNAI) in a peripheral area of the Piedmont region started in 2014 as a nationally driven local development programme, in parallel with the EU programming period 2014-2020. The industrial dismantling of the Valle Ossola, the financial crisis and the under-development of the</p>

<p>bottom-up approach. The regional authority commissioned the development of a master plan, divided into six not-finished areas.</p> <p>The Corona Verde project has been included in a wider regional development strategy and it has inspired the development of the first Italian regional landscape plan.</p>	<p>agricultural and tourism sectors have had negative consequences on local economy and employment.</p>
STAKEHOLDERS	
<p>Piedmont Regional Authority (promoter; coordination; implementation; management; mediation; facilitation)</p> <p>Politecnico di Torino (advisor; responsible for the strategic document)</p> <p>Chieri Municipality (leading municipality of the east sub-area of the project; implementation; management)</p> <p>SAT Servizi (public utility of the municipalities of the northern sub-area of the project; implementation; management)</p> <p>Park Authority of the River Po, civic association Bici&Dintorni FIAB, private stakeholders, professional and cultural associations</p>	<p>Piedmont Regional Authority (funding; implementation)</p> <p>IRES Piemonte (advisor for regional authority)</p> <p>Mountain Union of Valle Ossola (implementation; management; local development)</p> <p>Municipalities, private actors, citizens and associations</p>
GOALS	
<p>The project aimed to create a network of ecological corridors to connect the 12 seventeenth-century residences of the Royal House of Savoy. It evolved until the development of a strategic metropolitan plan became a priority.</p>	<p>To foster national economic and social development, improving the quality of life and the economic well-being of the people living in relatively isolated and sparsely populated areas to overcome the urban/rural dichotomy.</p>
GOVERNANCE	
<p>Corona Verde's governance has been constantly evolving, increasing the number of actors and territories (municipalities) involved in the project, with a bottom-up approach. This approach concerns a "soft" functional geography that does not result in a new administrative territory.</p> <p>The project's main driving forces were the regional authority in cooperation with the Park Authority of the River Po, and the civic association Bici&Dintorni FIAB. During its first phase, the Province of Turin and 24 municipalities were involved. Afterwards, with the new territorial division, the project included another 69 municipalities and 38 different new stakeholders: public, private, professional and cultural. This new context enhanced the bottom-up approach of the project. Its multi-stakeholder structure has been consolidated throughout the lifetime of the project, empowering local actors.</p> <p>Regional and metropolitan authorities collaborate in a horizontal coordination scheme.</p>	<p>The SNAI, having been developed in a phase of strong centralisation under a technical "caretaking" government, has a strong top-down flavour and is characterised by a strong governance structure imposed from above.</p> <p>The main tool for implementing the initiative is the project framework agreement (PFA) signed by the region, local bodies, the Central Coordination Administration and other dedicated administrations. It is a negotiating tool that enables all the parties to agree on sectors and areas in which territorial development intervention are to be carried out.</p> <p>The general framework of the SNAI envisages the involvement of several actors located at different territorial levels in a perspective of strong vertical integration.</p>
WEAKNESSES	
<ul style="list-style-type: none"> The types of actors have not been balanced. There is an excessive weight of public bodies, as they are the only institutions that can access EU funding. EU funds continue to have mechanisms and timings that do not make integration between them easy and, at the 	<ul style="list-style-type: none"> Change in authorities reduces political support for the strategy's implementation. This is a direct consequence of a strongly centralised initiative, although it has also been witnessed at local level. There is no guarantee of continuation of the funding.

<p>same time, there is still a strong division between urban and rural policies.</p> <ul style="list-style-type: none"> • It is difficult to integrate the actions of different departments of the regional authority, which manage different EU funding streams. The integration within “silos” is reducing the potential to strengthen and create new synergies with other EU funds. • As private actors play a passive role, the potential of peri-urban agricultural spaces remains undeveloped. • There are no monitoring and impact evaluation indicators that have been considered from the beginning. 	<ul style="list-style-type: none"> • Lacking specialised institutional and technical capacities to take part, the Mountain Union required support from a private consultancy.
STRENGTHS	
<ul style="list-style-type: none"> • Corona Verde has contributed to the creation of a new vision for the Turin metropolitan area, improving the institutional capacity of the local level to cooperate as well as helping to develop a coherent regional landscape preservation and valorisation strategy. • The project has the capacity to change from statutory planning to a strategic planning approach. • The governance structure is constantly evolving and increasing the number of actors involved. • Municipalities and territories are involved in the project in a bottom-up approach. 	<ul style="list-style-type: none"> • It is a multi-fund approach, in terms of both sources and issues. The strategy envisages the integration of (ordinary) national and regional resources and (extraordinary) EU ones. • SNAI contributes to overcoming administrative fragmentation by encouraging municipalities to form associations to access related funds. This pushes associations of small municipalities towards mergers. • The experience pushes to the actualisation of traditional structures by a combination of hard (financial and legal) and soft (coordination) means. • Regional legislation and funding guarantee and reinforce cooperation among small municipalities in remote areas.
OPPORTUNITIES	
<ul style="list-style-type: none"> • Piedmont region and Turin metropolitan city can strengthen their roles in supporting polycentric development, by facilitating the aggregation of actors and by distributing information. • The project requires the formulation of a national legal framework. 	<ul style="list-style-type: none"> • The regional authority plays a significant role in funding, as a possible source of continued funding. • The national agreement to be reached among the different institutions involved also requires an inter-institutional technical table at the regional level.

Map 3

The seven Swiss action areas



Source: ESPON ACTAREA, 2017b

Box 2**Case study of governance tools by soft means: Swiss Actions Areas**

CONTEXT
<p>Action Areas (AAs) are defined within the Swiss Territorial Development Strategy, which provides a policy framework. This framework aims to initiate/activate new forms of cooperation, often linked to functional spaces.</p> <p>New action areas inherited ancient collaboration networks and initiatives that have played a key role in their construction. These new collaboration networks go beyond traditional territorial competition logics. The action area collaboration networks extend across borders and were developed in two phases: an initial regional initiative with State-to-State agreements within a EU legal framework; and a final local one that enhanced local participation within the INTERREG programme in order to provide the initiative with funding. The latter type of cooperation areas were narrower than in the State-to-State agreement. Nowadays both kinds of initiatives coexist, collaborate and complement each other. Cross-border cooperation constitutes an advantage for AA collaboration and implementation.</p>
SUMMARY
<p>Action areas are based on networks of cities and target specific territorial aspects of metropolitan areas, polycentric networks or Alpine and rural contexts. AAs carry out several sectoral collaborations between different territories: cantons, municipalities and countries. They are often organised around economic, industrial and transport nodes. Cooperation is usually based on previous existing collaborations. Swiss supra-regional cooperation initiatives – soft territorial cooperation – could also take forward the implementation of the action areas.</p>
STAKEHOLDERS
<p>Canton authorities, federal administrations, international authorities, municipalities and both public and private actors.</p>
GOALS
<p>The goals of the action areas are diverse, but oriented to carrying out the Swiss Spatial Strategy.</p>
GOVERNANCE
<p>The Swiss Spatial Strategy acts as an overall policy framework that is flexible enough to allow a new cooperation framework with a specific focus on functional needs between different stakeholders. It is a bottom-up approach where the stakeholders' hierarchy and the administrative division are fuzzy. Initiatives are usually grouped in a sectoral way.</p>
WEAKNESSES
<ul style="list-style-type: none"> • The high fragmentation of the AA between cantonal/departmental and national administrative entities makes coordination a challenge. • It is difficult to coordinate between the different nations' decision-making structures: centralised in France and decentralised in the Swiss federal system. For example, Swiss partners cannot participate in INTERREG programmes on an equal footing with their French counterparts, as funding arrangements are less favourable. • High mountain ridges fragment the areas. • The institutional fragmentation of the region and language barriers may make cooperation challenging. • Collaboration in a cross-border region needs additional resources and time, as responsibilities are often not located at the same administrative levels. • The supra-regional cooperation has a certain bias towards the urbanised parts of some of the AAs and may disadvantage the interests of rural parts.
STRENGTHS
<ul style="list-style-type: none"> • It is a new cooperation framework with a specific focus on functional needs, from the bottom up. • The overall policy framework has different applications. • The approach is fuzzy. • Cross-border cooperation has a long-term tradition. • The French and German administrations are open to collaboration. • There is a sense of belonging among citizens.

OPPORTUNITIES		
<ul style="list-style-type: none"> • Cross-border socioeconomic issues –e.g. a situation of two half-circle economies where housing and services are sprawling in France, while job creation concentrates in Switzerland – urge the necessity to collaborate. • Symbolic territories, such as Lake Geneva, have issues that need to be addressed together, for example planning, environment and accessibility. This situation might encourage joint planning. • The AAs are economically attractive regions to potential actors such as academics. • There are drivers that encourage collaboration between the metropolitan action areas, for example the inter-relation between Alpine tourist regions and the clients from Zurich. • The potential of the smaller and medium-sized cities in action areas could be better developed. • Sustainable territorial development is challenged by a high volume of transport, which puts pressure on the infrastructure system and the housing market. The current fragmentation of planning instruments calls for better integration towards a common vision. • The provision of energy for metropolitan areas is also a challenge, for which reason coordination in this sector beyond the level of cantons is a necessity. • The cross-border situation presents a challenge and an opportunity at the same time. It represents both an institutional barrier and a need for coordination based on a shared destiny. • The coordination among the various cooperation structures could be improved. • Joint spatial development strategies can contain urban and rural sprawl and ensure integrated planning of transport and land use. 		
TAILOR-MADE COOPERATION	AAs WITH PRE-EXISTING COLLABORATION STRUCTURES	AAs WHERE SUPRA-REGIONAL COLLABORATION MUST BE DEVELOPED
Capital Region Switzerland (urban, peri-urban and rural areas/the cantons or partial cantons of Berne, Neuchatel, Fribourg and Vaud) Aareland Gotthard	Zurich Metropolitan Area Trinational Metropolitan Area Basel Lake Geneva Metropolitan Area Jura Massif Northeast Switzerland	Eastern Alps Città Ticino Western Alps Lucerne
STAKEHOLDERS		
Public sectors, private actors and individuals	Cantons, nations, organisations	Within a single canton
RELATIONSHIP		
Tailor-made cooperation structure	Pre-existing collaboration structures. Address settlement pressures and transport planning issues	Supra-regional collaboration
GOAL		
Reaching critical mass in relation to larger neighbours Coordination within the AA and with the neighbouring AAs	Focused on the development of agglomeration and metropolitan regions	Find a shared vision within the canton
TOOLS		
Swiss Spatial Strategy Dedicated governance structure Supra-regional collaboration: inherited cross border cooperation, inherited inter-cantonal collaborations, metropolitan conferences, creation of dedicated structures in non-metropolitan areas	Swiss Spatial Strategy Non-dedicated governance structure Supra-regional collaboration: inherited cross cooperation, inherited inter-cantonal collaborations, metropolitan conferences, creation of dedicated structures in non-metropolitan areas	Swiss Spatial Strategy Supra-regional collaboration: inherited cross cooperation, inherited inter-cantonal collaborations, metropolitan conferences, creation of dedicated structures in non-metropolitan areas

CHALLENGES		
Weak participation by rural areas Limited transfer of good practice, and many actors remaining sceptical about the added value of the AA cooperation framework	Limited awareness of the Swiss Spatial Strategy among the actors Identification of the added value of possible coordination of the various pre-existing supra-regional cooperation initiatives under the umbrella of the Swiss Spatial Strategy Limited transfer of good practice, and many actors remaining sceptical about the added value of the AA cooperation framework	Fragmentation Morphological and linguistic barriers Need to develop further supra-regional initiatives Limited transfer of good practice, and many actors remaining sceptical about the added value of the AA cooperation framework

3.2. Planning approaches and tools

The findings of SPIMA and COMPASS show that since 2000 there has been a very significant reform in the structure of government and in the distribution of planning powers among levels of government in many Member States. Evidence shows that in all cases there is significant transformation of planning power at national and regional levels ⁽¹⁾. Despite all these efforts of decentralisation and regionalisation of planning, the current institutional structures regarding planning seem insufficient to establish and maintain coordinated polycentric development in general, and metropolitan planning in particular. A metropolitan planning approach is not yet firmly institutionalised and/or not fully embedded in the routine of planning practices of the public administration and sectoral policy departments. Generally, planning at the metropolitan level is left to the initiative of the regions and the local authorities, except in Italy and France. In both of those countries, metropolitan planning was recently introduced by national government laws and regulations. Bearing this in mind and to explore more deeply the planning tools to support polycentric development, one has to distinguish between strategic and statutory planning tools.

3.2.1. Strategic planning tools

These are the most relevant instruments for polycentric development. These instruments focus mostly on the construction of a spatial vision and on regional economic development strategies. The aim of strategic planning instruments is to generate secondary decision-making processes by a wide variety of actors. The policy-making process is more important than the policy itself. The most common approach to strategic planning is the development of a joint strategic document or a framework for a specific territory or with regard to a specific issue. During the planning process, it is important to identify implementation tools to ensure the achievement of joint strategic objectives (e.g. specific sectoral plans, land use procedures and restrictions, sectoral feasibility assessments of specific developments).

In developing a strategic document, the ReSSI targeted analysis distinguishes between six types of strategic plans that can operate simultaneously in a specific territory:

- 1) spatial development concepts or policy frameworks at the national level;
- 2) regional and inter-regional strategic plans;
- 3) supra-regional strategies (intra-regional, inter-cantonal or between a number of municipal unions);
- 4) local strategies (including inter-municipal and only municipal);

⁽¹⁾ Decentralisation can be the result of devolving national powers to regions or of concentrating former powers of municipalities.

- 5) metropolitan development strategies; and
- 6) thematic strategies for each sector, such as transport development strategies.

The city of Turin, for example, developed up to three strategic plans before the national government formally established the metropolitan government level in 2014. The deliberative processes for formulating those strategic plans were, according to many local actors, more important than the resulting documents. Now, the new attributes of the Metropolitan City of Turin require it to develop such a document, identifying the key priorities, allocating resources and specifying the time frame for the implementation of key strategic objectives within a socioeconomic and environmental development programme. This shift from the former city strategic plans towards the new metropolitan one will be a major change, from the formulation of a strategic plan oriented towards coordination, cooperation, collaboration and provision of knowledge, defined by the city of Turin, towards a mandatory plan with resources allocated and a calendar for implementation.

The situation is different in the Czech Republic, where there is no permanent governance structure at the metropolitan level. Only recently, the Ministry of Regional Development has used the EU's Integrated Territorial Investment (ITI) tool as a vehicle for metropolitan-level planning coordination for the seven largest metropolitan areas and six smaller urban areas in the country. Two of these metropolitan areas are Brno and Prague. In both cases, the cities themselves develop their own strategic plans and the metropolitan scale is just embedded in one of the chapters. In these examples, the full potential of strategic planning has not yet been realised because they do not have a comprehensive focus on an entire metropolitan area, but only view it as the city centre and periphery.

Up to seven ITI strategies have been designated in the Czech Republic. The overall goal of those strategies is to generate cooperation and partnership among cities and municipalities that have shared problems and challenges, and to identify strategic integrated projects eligible for ESIF funding in line with such problems and challenges.

In all cases, the strategy has made it possible to create new arrangements within those territories on a systematic basis, with close cooperation and communication between them.

ESIF funding is crucial for the success of all these initiatives, since only in one of the initiatives is there a complementary source of funding, from the national budget.

The lessons learned and the complexities to deal with are quite similar among the examples, and they will be further developed in the case study of the Brno Metropolitan Area in Box 3.

Box 3

Case study of Brno Metropolitan Area

SUMMARY OF CHARACTERISTICS	
Type of strategy	Sustainable Urban Development (SUD)
Type of region	Less development region
Implementation mechanism	Integrated Territorial Investment (ITI)
Geographical scope	Functional Urban Area (FUA) / Metropolitan area
Planning horizon	2023
Size of town/city	500 000-1 000 000 INHABITANTS
CONTEXT	
The Brno Metropolitan Area (BMA) for implementing ITI covers the territory of the city of Brno and its surrounding part of the south Moravian region, which encompasses 166 municipalities. The total BMA ITI area comprises 1 755 km ² and includes over 600 000 inhabitants. Predominantly, the BMA ITI consists of small rural municipalities, with the city of Brno at the centre (the second-largest city of the Czech Republic).	

ABSTRACT	
<p>The BMA ITI's aim is to identify strategic integrated projects eligible for ESIF funding within the urban dimension of the Cohesion Policy, in the fields of mobility and safety in transport, reduction of environmental risks, support to development of competitive sectors, improving human resources and strengthening social cohesion.</p>	
STAKEHOLDERS	
<p>The City of Brno is the strategy holder, has designated an intermediate body for ERDF Operational funding ITI and is the administrator of its projects supported by ITI. The Brno City Authority is the manager of the strategy.</p>	<p>STEERING COMMITTEE: Representatives of cities and regional elected bodies Representatives of cities and regional administrations The South Moravian Innovation Centre Universities Non-governmental organisations (NGOs) Economic Chamber of Commerce Association of cities and municipalities External authors of the strategy</p>
<p>In order to formalise the cooperation under ITI, a memorandum on cooperation was signed between Brno City, the south Moravian region and the five largest municipalities in the delineated BMA.</p>	
IMPLEMENTATION AND FINANCIAL ARRANGEMENTS	
<ul style="list-style-type: none"> • A multi-fund ITI will be used. • The components of the multi-fund are five operational programmes (OPs: OP Transport, OP Environment, OP Employment, OP Enterprise and Innovations for Competitiveness, and Integrated Regional OP) and three ESI funds (ERDF, ESF, CF). • European funding is absolutely crucial for the realisation of the IS BMA. • No specific funding arrangements are employed (e.g. financial instruments, community-led local development (CLLD), private sector). 	
STRENGTHS	
<ul style="list-style-type: none"> • The ITI instrument has provided a new impetus for mutual cooperation between institutions at the metropolitan level. • It has brought about the possibility of financing and coordinating projects from more than one OP across priorities, to generate synergies. • It has enabled the creation of new partnerships at mezzo-regional level and has stimulated cooperation. • A key success factor of partners' engagement has been communication with them in the very early stages of the design process. 	
WEAKNESSES	
<ul style="list-style-type: none"> • Complexity of the implementation mechanisms of ITI: the difference between the implementation structures for the ERDF flow and for the ESF and CS flows • Imperfections in the central monitoring system to monitor and assess the ITI in an integrated and interlinked way • Difficulties in harmonising territorial needs with eligible activities from national OPs (both thematic and financial) • Difficulties in reconciling top-down (designated by the national level) and bottom-up (from the partner's side) designation of themes and activities for ITI tools 	
OPPORTUNITIES – RECOMMENDATIONS	
<ul style="list-style-type: none"> • At present, there are efforts to ensure the continuation of the cooperation and partnership structures created during the process (e.g. steering committee, working groups). • The requirements for implementation mechanisms for ERDF and ESF/CF should be unified at EU level. • Methodological support for the delineation of targeted metropolitan areas should be ensured at the EU level. • Ensure methodologies and knowledge of how to measure the contribution of ITI to domestic and EU policies and how to measure the efficiency of ITI as an instrument of Cohesion Policy. 	

Table 4

Advantages and challenges of strategic planning tools (SPTs)

ADVANTAGES	CHALLENGES
SPTs promote dialogue between fragmented organisational structures.	SPTs are not always directly linked to the formal (statutory) process of decision-making, in particular for spatial planning.
Horizontal and vertical cooperation within the administration does not have to follow a hierarchical path.	They have a limited capacity to influence other planning tools and are strongly exposed to political changes.
SPTs facilitate reaching joint agreements on specific issues.	SPTs oriented towards project-based initiatives are not a durable formalisation of a metropolitan area or other territorial arrangement.
SPTs are flexible and adaptable to enlarge the number of stakeholders included, since they can easily evolve over time.	They lack, with certain exceptions (namely ITI), financial resources.
SPTs can easily embed or integrate cross-sectoral issues (social, economic development, environmental, mobility, urban growth, etc.) and many different types of stakeholders (e.g. private sector, NGOs, community associations, labour unions, etc.).	
The leadership or initiative can come from different stakeholders and the collaboration can vary between public, public-private, non-profit, mixed or even only private.	

Box 4

Case study of Elblag Functional Urban Area

Up to six non-SUD ITI strategies have been designated in Poland. The overall goal of those strategies is to generate cooperation and partnership among cities and municipalities with shared problems and challenges, and to identify strategic integrated projects eligible for ESIF funding coordinated with complementary national funds.

In all cases the strategy has made it possible to create new arrangements within those territories on a systematic basis, and close cooperation and communication between them.

SUMMARY OF CHARACTERISTICS	
Type of strategy	NON-SUD URBAN ITI
Type of region	LESS DEVELOPED REGION
Implementation mechanism	INTEGRATED TERRITORIAL INVESTMENT (ITI)
Geographical scope	FUNCTIONAL URBAN AREA/METROPOLITAN AREA
Planning horizon	2020
Size of town/city	100 000-250 000 INHABITANTS
CONTEXT	
The Elblag Functional Urban Area (FUA) is located in north-east Poland. It has a high unemployment rate, which shows recent signs of improvement, and half of its territory is legally protected because of its environmental value. The main sectors of its economy are tourism, the furniture industry and the food industry.	

ABSTRACT	
<p>The Elblag ITI covers the territory of five municipalities and its aim is to identify strategic integrated projects eligible for ESIF funding in the fields of high-quality transport, environmental protection, competitiveness through knowledge and new technologies, social inclusion and cohesion, and a shared common vision for the FUA.</p>	
STAKEHOLDERS	
<p>Institutional architecture: The City of Elblag leads the process as part of the Development Strategy of the City of Elblag 2020+. The strategy was drawn up by external experts. The ITI Office located in the City of Elblag has mainly advisory and operational functions. The metropolitan area manages the implementation of the strategy outside Elblag city, because of limited administrative capacity in sub-regional cities.</p>	<p>Stakeholders in the discussion process: Public sector Private sector Academic sector NGOs</p>
<p>The stakeholders formed a cooperation agreement, which laid a foundation for the future strategy, the Elblag FUA Partnership Agreement signed by 18 local authorities, although the final ITI-bis covers only 5 of them.</p>	
IMPLEMENTATION AND FINANCIAL ARRANGEMENTS	
<ul style="list-style-type: none"> • A multi-fund Non – SUD Integrated Territorial Investment (ITI) will be used. • The ITI is embedded in a Regional Operational Programme (the Warminsko-Mazurskie ROP). • The components of the multi-fund are from the EU funding mostly through ERDF and ESF and from local and national funds from grants by the ROP, complementary funding from the Infrastructure and Environment National Programme and the Eastern Poland Programme. • No specific funding arrangements are employed (e.g. financial instruments, CLLD, private sector). 	
STRENGTHS	
<ul style="list-style-type: none"> • The ITI instrument has changed approaches to territorial governance in the region and in Poland as a whole. • It has made it possible to allocate resources and investment in a more strategic manner. • It has built inter-municipal cooperation structures in the absence of formal frameworks at national level to encourage partnership and integrated approaches to cover functional areas. 	
WEAKNESSES	
<ul style="list-style-type: none"> • The implementation office has limited experience in managing simultaneous processes (multi-funds and multi-initiatives). • It is difficult to establish the cooperation rules among the different stakeholders. • Evaluation of the Elblag ITI-bis has not yet started, or even been planned. It is more likely that challenges may appear similar to other similar experiences in common territorial realities. • Excessive bureaucracy surrounds the ITI's implementation process. 	
OPPORTUNITIES – RECOMMENDATIONS	
<ul style="list-style-type: none"> • At present, there are efforts to ensure the continuation of the cooperation and partnership structures created during the process (e.g. steering committee, working groups). • The Elblag ITI-bis initiative has had positive capacity-building effects on local authorities working together strategically and planning together. 	

3.2.1.1. Collaborative strategic planning

Another approach to strategic planning is the development of collaborative frameworks for a specific part of a territory, for a certain group of stakeholders or with regard to a specific topic. Those collaborative frameworks aim to establish collaborative arrangements between fragmented institutional bodies and among a variety of actors. The most distinctive collaborative initiatives include:

- Collaborative initiatives between institutions and individual actors

within a TCA specific territory that is engaged in the activities of a specific sectoral policy, e.g. collaborations in the field of transport, tourism, economic development or environmental protection. This type of collaboration is found in Vienna, Turin (Box 1) and Brussels. In the complex situation of Brussels, entrepreneurs of the Brussels Metropolitan Region have joined forces, with the support of the Enterprises of the three regions – the Flemish Region, the Walloon Region and Brussels – in the project called Business Route 2018 for Metropolitan Brussels. The business world has formed a community of interests that transcends regional and linguistic divides in order to demonstrate that political and institutional measures are not the only road to economic development in Brussels.
- Collaborative initiatives between regional (inter-regional) administrative levels

such as between two or more regions, aiming to develop joint visions and strategies for the area. This type of collaboration is found in the open cooperation configurations of the Swiss AAs. Case studies show that many cooperation areas combine different regionalisation logics in a pragmatic way based on a natural entity (e.g. the Jura Massif Action Area), cultural and historical factors (e.g. Euroregion Tyrol-South Tyrol Trentino), functional links (e.g. the Trinational Metropolitan Region of the Upper Rhine), common challenges or opportunities (e.g. Pays de Retz) or existing administrative units (e.g. Strategic Planning, region south of Vienna).
- Collaborative initiatives between groups (unions or establishments) of municipalities

that join forces to identify common strategies for their territories. This type of collaboration is prominent in Lyon and Lille, encouraged by the national government by making financial resources available to those municipalities engaged in a collaborative initiative.
- Collaborative initiatives between individual municipalities, for example in Vienna, where the joint wishes of municipalities have developed into local spatial development concepts in an attempt to coordinate spatial development and address areas of cooperation with win-win outcomes. In the latter case, financial mechanisms are also established.

3.2.1.2. [Smart specialisation strategy](#)

Finally, among strategic-planning approaches and tools, a smart specialisation strategy (S3) is oriented to build competitive advantages by developing research and innovation strengths in a territory to match its business needs, in order to address emerging opportunities and market developments in a coherent manner. An S3 contributes to polycentric development by strengthening the competitive advantages of places and by promoting balanced development through engaging the potentials of different places and by means of interaction among public, private, academic and NGO actors.

An S3 is not just a government investment strategy but an entrepreneurial discovery process (EDP). In an EDP, the relevant actions rely on activities that reinforce and match regional entrepreneurial vision and knowledge (entrepreneurial discovery), combining science and technology, leading to the potential growth of the market. An S3 requires a certain critical mass of resources – economic, academic, social, financial, etc. – and very often requires engaging with other territories to create complementarities and to build up the critical mass required. Through an EDP, “champions” for realising innovation and increasing the efficient use of financial resources towards future development in a specific territory are identified. The EDP relies on ex ante and ex post evaluations to generate information for decision-making on future research and investment fields. Ex ante evaluations help to understand the existing features, needs and capabilities within the research-business and social ecosystems. Ex post evaluations assess in a continuous manner the success and failure of the chosen actions.

This networking and cooperation approach should cover each step in the value chain from research to commercialisation, and all relevant actors of different sizes and across sectors. Government agents do not invest directly in S3 sectors and businesses but promote S3 markets together with other relevant places, their businesses, research centres and citizens through

territorial networks and agreements. This approach represents a shift in the role of the public sector from the traditional managerial government to facilitation.

The importance of the global economy and innovation networks calls for a regional innovation policy that goes beyond regional and national borders. Cooperation in S3 involves sharing knowledge, pursuing collaboration and exploiting synergies with S3 initiatives in other countries and regions. S3 cooperation at the transnational and inter-regional levels can take the form of different kinds of agreements and networks.

Transnational cooperation: cooperation with others and an outward-looking perspective help monitor the competitive position of the country/region with regard to others and to identify its position within global value chains. Examples of initiatives on transnational cooperation are the following:

- Sweden's cross-clustering scheme opens an operational programme up to international partners in order to strengthen S3 priority areas when creating transnational linkages. The expected result is to identify and give grants to five to eight collaborative projects that fulfil the main goal of the initiative.
- Wielkopolskie in Poland engages in transnational learning by means of peer reviews, including benchmarking and other methods of collaboration with other European regions, while participating in two INTERREG IVC projects
- A joint strategic planning process by Galicia (Spain) and Norte (Portugal) aims to align their visions, priorities, and research and innovation goals and actions with the creation of a cross-border working group.

Inter-regional cooperation: the Vanguard Initiative is a non-profit association, with the main goal of contributing to economic development and employment in member regions through inter-regional cooperation and joint investment. It seeks to lead the way in supporting clusters and regional eco-systems to focus on smart specialisations in priority areas for transforming and emerging industries, which can take place in developing schemes of inter-regional cooperation and multi-level governance.

Vanguard members include industrial regions – 29 full members, 5 associate members and 8 observer regions – besides innovation and industrial stakeholders. They want to build synergies and complementarities in smart specialisation strategies to boost world-class clusters and cluster networks, in particular through pilot schemes and large-scale demonstrators. These investments will strengthen Europe's competitive capacity to lead in new industries in the future and develop lead markets that offer solutions to our common challenges.

Research and innovation strategies for smart specialisation (RIS3) form a robust tool to support polycentric development. This tool integrates the value of the different geographical, social and economic (and, it should be added, natural/environmental) features that each territory can express, in general, and in particular by:

- stimulating networking and cooperation at regional level to reach a critical mass of investment effects/impacts;
- developing a new "regional thinking" that highlights the importance of local context to achieve both efficiency and equity while implementing territorial development policies;
- giving attention to reinforcing competitive advantages of regional specialisation as a key point in mitigating negative effects deriving from globalisation processes;
- stimulating private investment alongside public funding, in a scenario of scarce resources, to support polycentric development.

The Vanguard Initiative is developing up to five pilot projects in different economic sectors

ADVANCED MANUFACTURING FOR ENERGY-RELATED APPLICATIONS IN HARSH ENVIRONMENTS ADMA ENERGY

Lead region: Basque County and Scotland

Participating regions: Andalusia, Asturias, Dalarna, Emilia-Romagna, Flemish Region, Lombardy, Navarre, North, Ostrobothnia, Skåne, Southern Denmark

The main objective is to develop products and solutions to be commercialised and rolled out into global offshore renewables markets.

BIO-ECONOMY

Lead region: Randstad Region and Lombardy

Participating regions: East Netherland, Emilia-Romagna, South Netherlands, Scotland, North Netherland, Tampere, Flemish Region, West Finland, Central Finland, Walloon Region, North Rhine-Westphalia, Skåne, Andalusia, Värmland, Navarre, Branderburg, Basque County, Baden-Württemberg, Łódzkie, Asturias, Małopolskie and Basilicata

The main objective is to develop innovative applications of biomass.

EFFICIENT AND SUSTAINABLE MANUFACTURING

Lead region: Basque County and Scotland

Participating regions: Andalusia, Asturias, Dalarna, Emilia-Romagna, Flemish Region, Lombardy, Navarre, North, Ostrobothnia, Skåne, Southern Denmark, Galicia, Hauts de France, Mazowieckie, Navarra, North, Pays de la Loire, Saxony, Scotland, Skåne, Slovenia, South Netherlands, South Denmark, Tampere, Trento and Walloon Region

The main objective is to develop a European networked infrastructure of pilot plants in key areas of manufacturing, introducing new technologies and applications in their production processes.

HIGH-PERFORMANCE PRODUCTION THROUGH 3D PRINTING

Lead region: Flemish Region, South Netherlands and North

Participating regions: Andalusia, Aragon, Asturias, Auvergne/Rhône-Alpes, Baden-Württemberg, Catalonia, Emilia-Romagna, Lombardy, Lower Austria, Małopolskie, Nord/Pas-de-Calais/Picardie, North Rhine-Westphalia, Örebro County, Saxony, Skåne, Randstad Region, Tampere, Trento, Upper Austria and Walloon Region

The main objective is to accelerate market uptake of 3D printing applications.

NEW NANO-ENABLED PRODUCTS

Lead region: Skåne and Tampere

Participating regions: Navarre, Auvergne/Rhône-Alpes, North Rhine-Westphalia, Baden-Württemberg, South Netherlands, Emilia-Romagna, Walloon Region, Flemish Region, Wales

The main objective is to identify synergies, to widen and to expand industrial interests and regional commitment in this type of industrial products.

3.2.2. Statutory planning

Statutory planning in most of the countries of the EU is implemented through the development of regional spatial plans, master plans and detailed municipal land use plans. The spatial planning system represents the institutional frameworks and organisational structures that embed responsibilities for managing urban development across national, regional and local levels of government. In most of the cases analysed (with the exception of France and Italy), there is no clear spatial planning framework found at a functional urban scale, and planning at a functional scale is poorly positioned within the current governance systems.

In general terms, national governments mostly provide a general direction for spatial development and the rules of the game of spatial planning for the lower level of government by means of guidance, legislative power (laws), strategies and policies. The exceptions are Austria, Switzerland, Belgium and Spain, where planning is strongly decentralised and devolved to regional authorities and municipalities. In all cases, the regional and local authorities have rather strong decision-making powers in determining the model of land use for the territory, but have less influence on issues of national importance in the fields of energy, transport, nature, etc.

Spatial planning tools that have as their main purpose the transformation of space have not yet been adapted to fit polycentric planning. Although since 2000 there have been remarkable efforts to redistribute powers and rescaling in at least 15 of the 28 Member States, there have been limited and fragmented initiatives on spatial planning at the functional urban scale. In this sense, the subsidiarity principle brings about a dichotomy between the benefits of the regionalisation of spatial planning and its proximity to citizens.

In this regard, some countries have adopted a regional body controlled by the participating municipalities but do not have an elected body. This is the case in Finland, France, the Netherlands and Spain. In other countries, regional bodies have been abolished within large city regions. In other words, the new scheme is based on regions and city regions. This works for Croatia, Hungary, Italy, Romania and to some extent UK in the case of Manchester. Finally, outside a formal administrative system one would find the so-called “soft regions” characterised by high levels of functional integration.

However, and despite the different approaches adopted by Member States to simplify procedures, to improve implementation and strengthen citizen engagement in spatial planning actions, two issues remain unresolved: the integration of cross-sectoral policy issues in the spatial planning processes; and integration and compatibility of different planning tools (spatial planning tools at different scales and strategic versus collaborative planning tools).

Turin and Manchester will shortly be facing this challenge, while Lyon and Lille have already developed spatial planning tools in a quite complex pattern in which there are many bodies which deal with plan-making. When it comes to land use planning, the levels of resistance to joint planning initiatives across municipalities or between municipalities and regional authorities have sharply increased. The current institutional structures of spatial planning, in particular, seem insufficient to establish and maintain coordinated planning. Compatibility between plans at different scales is desirable and promoted in all the regulations, but the reality is that in many cases such compatibility is missing.

Table 5

Advantages and challenges of statutory spatial planning tools

ADVANTAGES	CHALLENGES
They restrict the exclusive rights of landowners in favour of the public interest.	There is poor coordination with other plans at different planning scales.
They establish the rules of the game to provide legal certainty.	It is difficult to include socioeconomic and environmental issues.

Professionals and planners involved in the definition of spatial planning tools are supporters of polycentric development.	Coordination and cooperation are perceived as interference with municipal autonomy.
	In some countries, responsibility for spatial planning is linked to taxation (the right to build and property taxes) at the local level. This becomes a real obstacle for cooperation.

3.3. Financial approaches and tools

As mentioned in the second chapter, funding is one of the main challenges for supporting polycentric development. In particular, strategic planning approaches and tools require adequate financing tools to ensure the practical implementation of the agreed objectives. The main goal is to better match territorial needs with opportunities for funding by means of joint investment initiatives based on collaborative governance arrangements and strategic planning agreements. In other words, it is to support the implementation of place-based initiatives which rely on local knowledge, and locally developed strategic frameworks to facilitate endogenous growth within territories.

Promoting polycentric development through collaborative practices and translation of place-based approaches into financial tools at the European scale might require designating a portion of investment in the mainstream programmes of the Cohesion Policy and the Rural Development Policy to support joint investment initiatives. Another portion could expand the territorial impact of the ESIF.

The allocation of such resources needs to go hand in hand with the development of implementation tools that encourage synergies through combining funds from different initiatives and increase the integration of sectoral policies and interventions, improving vertical and horizontal coordination. The main goal of such integration is to improve the efficiency of public spending in a climate of austerity and cuts to public budgets. ITIs and CLLDs serve as examples of such tools that are being applied in the current programming period and that in many countries (especially in central Europe) have stimulated the introduction of new collaborative planning and governance solutions.

Table 6

Advantages and challenges of financial tools

NEW IMPLEMENTATION APPROACHES	
Integrated Territorial Investment (ITI) SUD ITI and non-SUD ITI	Community-Led Local Development (CLLD)
ADVANTAGES	
<p>It is possible to combine funding from different priority axes (PrAxis) and funds.</p> <p>It is more flexible and responsive to specific territorial needs.</p> <p>It offers an umbrella where cooperative structures can be organised.</p> <p>It can afford greater visibility to a strategy.</p>	<p>It involves and supports local development projects.</p> <p>It has the potential to develop innovative projects.</p> <p>It engages citizens in project decision-making.</p> <p>It fosters greater acceptance of project decisions.</p>

CHALLENGES	
It is perceived as complex.	<p>There is a lack of capacity at the local level.</p> <p>It is perceived as complex and with an increased administrative burden to integrate it in SUD strategies.</p> <p>It may lack relevance because of the small scale of funding, with similar instruments already in place.</p> <p>CLLD and ITI integration appears limited.</p>

At the national scale, a viable financing approach to support polycentric development through collaboration would require allocating financial incentives to support networking, cooperation and linkages among municipalities (land funds, subsidies for housing, tax-sharing methods, land acquisition and compensation). Going one step further, national policy frameworks could even include providing funds for territories on condition that the regional and local authorities involved implement governance and planning approaches towards polycentric development. Finally, at regional and local levels, the strategic planning process should identify the mix of policy measures and related funding sources needed to ensure a joint and complementary contribution to the achievement of strategic objectives.

An overview of how territorial investment is being supported in the 2014-2020 period of ESIF shows, with more than 400 initiatives analysed and mapped among the EU Member States in the DG REGIO Study: Integrated Territorial and Urban Strategies. How are ESIF added value in 2014-2020, that the overall funding allocation for integrated place-based approaches has increased. Different implementation mechanisms are used, supported by a range of financial tools as well, although the conclusions of the DG REGIO Report show that there is still room for further improvement in the definition and implementation of such tools. Among the implementation mechanisms for integrated place-based approaches (Table 6), the report identifies two groups: mainstream implementation approaches (multi-thematic priority axis, operational programme) and new implementation approaches (ITI and CLLD). The report also identifies three different financial tools: multi-funds, financial instruments and other forms of financing.

Table 7

The implementation mechanisms for integrated place-based approaches

MAINSTREAM IMPLEMENTATION APPROACHES	
Multi-thematic Priority Axis (PrAxis)	Operational Programmes (OPs)
<p>The most common implementation mechanism. The “simplest” option in terms of administrative burden. Particularly attractive for smaller programmes. Offers continuity with existing and traditional approaches. Can be combined with multi-fund OPs.</p>	<p>Tend to cover large cities and often based on pre-existing strategies. Can be combined with PrAxis and ITI multi-funds.</p>
FINANCIAL TOOLS	
MULTI-FUND	
<ul style="list-style-type: none"> • The combination of different funds (from multiple ESI funds) under a multi-fund approach enables a more complex set of integrated projects, using ITI, PrAxis or OP approaches. • It is difficult to integrate funds at the project level. 	

- The challenges for multi-fund tools are:
 - coordination between funds;
 - limited operational integration (different cultures);
 - use of separate implementation systems (different monitoring and indicator systems);
 - different administrative cultures in terms of implementing funds.

FINANCIAL INSTRUMENTS

- The two more general financial instruments are non-repayable loans and a “fund of funds” style of financial programme including debt, mezzanine and equity finance for small and medium-sized enterprises.
- They tend to be used more often for PrAxis than for ITI approaches.
- The challenges for financial instruments are:
 - state aid regulations;
 - weak business base;
 - lack of specific expertise within the cooperative structures.

OTHER FORMS OF FINANCING

- Domestic public funding.
- Public-private initiatives.

In summary, the DG REGIO Study provides a practical demonstration of more recent proposals for greater territorial specificity in the implementation of the Cohesion Policy. The approaches described above (mainstream and new) represent multi-sectoral, multi-partner and multi-fund strategies. The most common implementation mechanism is a multi-thematic priority axis (PrAxis). However, it is important to remark that half of the total budget available for Article 7 strategies has been allocated to ITI. This means that the average budget for new financial tools (ITI) is more than three times as large as for mainstream tools (PrAxis). Further improvement of the new financial approaches and tools is required to keep reinforcing cooperation and integration strategies for regional/urban development.

4. Key policy messages

The following key messages are presented for four different geographical scales – EU, national, regional and local – derived from the analysis of case studies and best practices among the tools and approaches presented in the previous chapter.

In general, the analysis of governance, planning and financial tools to support polycentric development reveals that more robust political frameworks and better coordinated tools at all levels are required, and in particular at the national level, if polycentricity is to operate successfully. Policy to support polycentric development should turn to the development of linkages and networks among territories with similar challenges – linked by common interests – rather than development of territories in isolation. Current and future challenges – pollution, mass tourism, migration, isolation, etc. – are bringing opportunities to further explore the potential of cooperation and networking among territories, and in particular those territories with certain specificities: rural areas, islands, mountainous regions, etc. Polycentric development requires giving privileges and enhancing the capacity of regional and local (sub-national and sub-regional) levels of government in Europe to network in multiple forms. We have also learned from the previous chapter that, while there are many vertical cooperation initiatives, horizontal cooperation is still underdeveloped, particularly the potential of horizontal integration of funds.

The majority of the analysed case studies show different approaches towards networking and cooperation, but all of them have in common territorial proximity among the different stakeholders, whether the physical perimeter is fixed and permanent or it is fuzzy and flexible. The variety of cases, presented in the previous chapters, proves that either hard or soft means can contribute

to support polycentric development and that, once the culture of cooperation has become embedded in the way territories and stakeholders work, it does not matter anymore whether the governance structure is legally formalised or not. If it is, the TCAs will correspond to a fixed territorial boundary; if not, they will be driven by a sectoral logic within a flexible boundary. There is no conclusive evidence to demonstrate which means would be more efficient in dealing with cross-sectoral issues. Actors may choose to use soft means for strategic reasons, e.g. because they want to organise coordination and address identified challenges without creating an additional formal structure that adds to institutional complexity, or because they see themselves as complementary to already existing and more institutionalised collaborations.

The results of the ESPON targeted analyses – SPIMA, ReSSI and ACTAREA – conclude that there is no single governmental level that can fully meet the current social, economic and environmental challenges. Therefore, there is no “one-size-fits-all” solution to this problem, but a mix of approaches is needed. In other words, the best approach would be a combination of bottom-up and top-down approaches within hard or soft means schemes, reinforcing each other in order to define tailor-made strategies and solutions for a territory or for a particular topic.

Finally, the complexity and diversity of situations that coexist in Europe require deeper understanding of the current trends and of the impact that policies – and in particular EU policies – have on the ground, in order to develop new cohesion policies. Such comprehension and understanding have to overcome inertia in the way we look at and analyse the reality, to propose new methodologies, to increase the availability of data and to implement monitoring mechanisms on a regular basis. Policy implementation would require a much more tailored and learning-by-doing approach. Big data and smart solutions (using information and communication technologies) are potential tools that have to be deployed in a democratic, transparent, accountable and participative way. More knowledge of the inter-relationship between morphological and functional polycentricity is needed, and therefore further studies have to be conducted.

How can we promote the use of these tools to support polycentric development?

4.1. At EU scale

Through policy and legislation

- Propose a policy narrative on the advantages of polycentric development and the role of cooperation among places as a way to achieve more efficiency in the use of public resources, wider geographical impact and more visibility of policy interventions.
- Set the use of collaborative governance and planning tools as a precondition for supporting integrated investment initiatives of cities and regions.
- Intensify policy coordination at the EU level on the issues related to functional cooperation areas (e.g. metropolitan areas, cross-border areas, transnational areas, city networks, rural-urban linkages) and how these can be addressed by the EU programmes.

Through funding

- Designate a portion of investment in the mainstream programmes of the Cohesion Policy and the Rural Development Policy to support joint investment initiatives based on collaborative governance arrangements and strategic planning agreements in order to better match territorial needs with fund opportunities.
- Simplify and promote the use of ITIs and other integrated territorial approaches and instruments (e.g. CLLD) to support the implementation of collaborative initiatives between different types of actors based on complementary projects.
- Improve the vertical coordination of different funding sources and programmes to guarantee more coherence of the agendas at different governance and planning levels.
- Facilitate horizontal coordination of contributions of different funding sources and programmes towards the implementation of territorially based strategies.
- Pay more attention to the territorial impact of the ESIF in order to better match territorial needs with funding opportunities.

- Simplify the EU funding process to avoid discouraging some stakeholders, at the local, regional or national level, from applying for them.

Through capacity building, territorial evidence and knowledge sharing

- Address more robustly the under-researched phenomenon of territorial networking and cooperation and spatial planning; in particular, the impact of sectoral EU legislation and funding instruments in shaping territorial governance and spatial planning at regional, metropolitan and local levels (e.g. environmental, energy, competition and/or maritime affairs legislation).
- Provide support and external expertise to national, regional and local authorities for the organisation and implementation of the tools and approaches for supporting polycentric territorial development.
- Help the dissemination of good practices and knowledge sharing on the use and benefits of collaborative governance and planning tools to support polycentric development.

4.2. At national scale

Through policy and legislation

- Establish an overarching policy framework and guidance to enhance the involvement of regional and local authorities in cooperative governance and planning initiatives at various geographical scales.
- Promote the use of various tools and approaches for supporting polycentric territorial development depending on the national context, priorities and long-term development vision.
- Combine top-down and bottom-up elements to support decentralisation and associations of regional and local authorities (e.g. the French way of combining the top-down and the bottom-up: the national level creates the legal framework for cross-municipal cooperation, while joining it remains a voluntary decision for municipalities).
- Ensure the transparency and openness of processes of collaboration among regional and local authorities and, if needed, serve as a neutral mediator to reconcile conflicting interests.

Through funding

- Allocate financial incentives to support networking, cooperation and linkages among municipalities (land funds, subsidies for housing, tax-sharing methods, land acquisition and compensation).
- Provide funds for territories on condition that the regional and local authorities involved implement governance and planning approaches towards polycentric development.

Through capacity building

- Provide support and external expertise to national, regional and local authorities for the organisation and implementation of the tools and approaches for supporting polycentric territorial development.
- Help the dissemination of good practices and knowledge sharing on the use and benefits of collaborative governance and planning tools to support polycentric development.

How can we guide regional and local governments to use/to implement better tools to support polycentric development?

4.3. At regional and local scales

The preconditions for ensuring the most appropriate governance interplay depend on the local context and the institutional capacity of the authorities – regional and local – and the actors involved. The following list is a guideline for better enabling sub-national governments to support polycentric development at the regional and local scales:

- Build upon existing traditions of collaboration (e.g. in the fields of transportation, waste management and environment protection).
- Initiate bottom-up small-scale practices with local actors and allow cooperation to evolve towards new policy fields (e.g. from public transport to biodiversity or land use).
- Develop cooperation structures early in the process of planning. Such structures must have a built-in flexibility to fit the spatial dynamics of the territory and to adjust to changing institutional factors.
- Political commitment at regional and local level is a key issue for evolving from a project-based short-term cooperation towards a (strategic or statutory) planning-based and long-term one.
- Understand the benefits that actors can share, by early recognition of interdependencies among relevant actors and creating win-win situations. A process to involve a broad range of actors is crucial to develop joint strategic and spatial planning approaches and to prevent resistance and conflicts.
- Have well-developed mechanisms to ensure commitment, combining the engagement of leaders in the formal decision-making process with the engagement of administrative coordinators in the planning process and engagement among elected councils at different levels of government.
- Understand the territory's spatial dynamics, taking into account not only the territorial and physical dimensions but also the key socioeconomic and environmental impacts of developments beyond the borders of statutory (city) plans.
- Change attitudes of planners towards polycentric development by creating a favourable arena for dialogue in order to understand and consider shared interests and the benefits of cooperation. These discussion arenas must be characterised by trust and mutual recognition of the legitimate roles of the actors involved.
- Carry out strategic and sectoral planning, to be implemented in statutory planning. Effective interplay between different existing levels of government could be as effective for polycentric development governance as as having an additional level of government dedicated to this purpose (e.g. by making strategic plans and statutory plans coherent and interconnected).
- Identify implementation tools during the planning process to ensure the achievement of joint strategic objectives (e.g. specific sectoral plans, land use procedures and restrictions, sectoral feasibility assessments of specific developments).
- Sharing knowledge is also an important decision-support mechanism for political bodies. Polycentric planning requires interdisciplinary inputs from members of different professions in order to develop an integrated vision on the territory's development.

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