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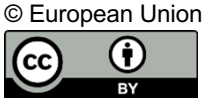

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LIST OF ABBREVIATIONS

CF	Cohesion Fund
CLLD	Community-led Local Development
CP	Cohesion Policy
CPR	Common Provisions Regulation
DG	Directorate General
EAFRD	European Agricultural Fund for Rural Development
EMFF	European Maritime and Fisheries Fund
ERDF	European Regional Development Fund
ESF / ESF+	European Social Fund / European Social Fund Plus
ESIF	European Structural and Investment Funds
EUI	European Urban Initiative
IB	Intermediate Body
IP	Investment Priority
ITI	Integrated Territorial Investment
LAG	Local Action Group
LDR	Less Developed Region
LEADER	Links between the rural economy and development actions
MA	Managing Authority
MDR	More Developed Region
MS	Member State
NGO	Non-Governmental Organisation
ODP	Open Data Portal
OP	Operational Programme
PrAx	Priority Axis
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
RTDI	Research, Technological Development and Innovation
SME	Small and medium sized enterprises
SUD	Sustainable Urban Development
TDM	Territorial Delivery Mechanism
TEN-T	TEN-T Connecting Europe Facility
TFEU	Treaty on the Functioning of the EU
TO	Thematic Objective
UIA	Urban Innovative Actions

COUNTRY ABBREVIATIONS

Country	Abbreviation
Austria	AT
Belgium	BE
Bulgaria	BG
Croatia	HR
Czechia	CZ
Cyprus	CY
Denmark	DK
Estonia	EE
Finland	FI
France	FR
Germany	DE
Greece	EL
Hungary	HU
Ireland	IE
Italy	IT
Latvia	LV
Lithuania	LT
Luxembourg	LU
Malta	MT
Netherlands	NL
Poland	PL
Portugal	PT
Romania	RO
Slovenia	SI
Slovakia	SK
Spain	ES
Sweden	SE
United Kingdom	UK

Abstract

This study assesses implementation of Territorial Delivery Mechanisms (TDMs) introduced under the 2014-20 European Structural and Investment Funds framework. These were designed to enhance place-based approaches to regional development, aiming to improve the responsiveness of Cohesion Policy investments to local needs through integrated strategies and territorial governance. The five TDM types — Sustainable Urban Development (SUD, delivered as Integrated Territorial Investments (ITIs), programme Priority Axes or dedicated programmes), Community-led Local Development (CLLD), and non-SUD ITIs — were applied across Member States with considerable variation in design and uptake. The study applied a Theory of Change framework through three 'causality pathways' to assess the role of TDMs in promoting territorial development. It took a mixed-methods approach, including data analysis, a survey, case studies, and focus groups. Findings highlight the potentials and challenges of TDMs: while they fostered strategic territorial planning, local engagement, and sectoral coordination, their novelty, limitations in administrative capacity and regulatory complexity represented substantial challenges. Despite initial delays and implementation difficulties, TDMs contributed to decentralisation, strategic coherence, and increased local ownership in some contexts. The study concludes that while TDMs represent innovative tools for place-based development, further regulatory flexibility, capacity building, and evidence generation are essential for maximising their long-term impact.

Executive Summary

The publication of the Barca Report for reform of Cohesion Policy in 2009 argued for a strengthened focus on area-based interventions with horizontal integration of different sectoral measures and the active participation of local stakeholders. This was seen as crucial in addressing the complex territorial impacts of macro-level socio-economic processes. The regulatory provisions for European Structural and Investment Funds (ESIF) in 2014-20, followed this lead. It introduced a set of new Territorial Delivery Mechanisms (TDMs) that offered the potential to tailor CP investment to respond to place-specific needs and potentials, promote territorial development and strengthen the local effectiveness of sectoral support. Against this background, the purpose of this study is to take stock of the use of these TDMs in 2014-20. To what extent did they follow this rationale of place-based support and promote territorial development? Which factors explain this? In practice what did or did not work?

Five new types of TDMs were launched in 2014-20. Sustainable Urban Development (SUD) strategies (funded through ERDF Article 7 that required investment of at least 5% of the fund at national level) could be delivered through Integrated Territorial Investments (ITI), Programme Priority Axes or as a dedicated Operational Programme. In addition, two further optional TDMs were introduced: Community-led Local Development and non-SUD ITIs. Each had specific features, but they had in common organisational principles that followed the concept of place-based development as a means to overcome obstacles to local development and unlock local potentials. These organisational principles were: a strategic focus on identifying challenges, potentials, and priorities in specific areas; investment in integrated strategies that span administrative boundaries to capture functional connections within territories; and multi-level governance models combining central or regional direction with local participation. TDMs were applied across all Member States (MS), but with very varied configurations in terms of the mix and number of types, reflecting differences in levels of CP funding available, territorial development priorities and governance systems.

Assessments of whether and how CP-funded TDMs have been able to overcome barriers to local development and unlock potentials are challenging. There is substantial variation in the type and mix of contextual factors that influence the implementation of these instruments. There are also difficulties in obtaining consistent, disaggregated data at local level and temporal issues related to the relatively short period of implementation given the long-term, integrated territorial impacts that are anticipated. In response, the study adapted the Theory of Change approach to identify three ‘causality pathways’ based on the organising principles of place-based policies: drafting and use of territorial strategies; a process of resource allocation supporting integrated investment; and use of a multi-level governance system including an active role for the local level. The research involved quantitative and qualitative methods including analysis of EU datasets, review of programme and strategy documentation, and academic and policy literature, a survey of representatives of programme authorities and TDM strategy holders, case study research covering 30 TDMs in 19 MS and focus groups with policymakers and beneficiaries.

Based on this, the research found that the value of TDM use in strengthening strategic planning at the territorial level was often undermined by the limited quality of strategies. A common finding was that intervention logics and therefore the desired outcomes and added value of TDMs was not sufficiently well defined and strategies’ monitoring and evaluation systems often struggled to overcome challenges faced by place-based policies in building evidence of effectiveness. Despite these shortcomings, TDM strategies were broadly effective in applying an explicit territorial lens. In several MS, the territorial demarcation process prompted close interaction between national authorities,

programme authorities and territorial stakeholders. Moreover, territorial authorities played significant roles in drafting, including the carrying out of detailed needs analyses, usually within frameworks set by national or programme authorities and this increased the scope for strategies to draw directly on local knowledge and capture place-specifics.

TDMs have been effective in promoting an integrated, multi-sectoral framework at strategy level but coordination rather than integration was evident at project level. Strategies combining different sectoral headings have promoted stronger integration of sectoral issues into local economic development measures. TDMs supported strategic, territorially or functionally connected operations but limitations in administrative capacity and EU and MS regulatory requirements were barriers to closer integration.

Delegation of CP implementation within multi-level governance systems was an important feature of TDMs that offered substantial benefits in introducing new systems, structures and tools that increased the role of territorial partners and stakeholders in CP and in some cases in broader local development processes. However, administrative capacity and governance weaknesses and capacity-building priorities were often not articulated in TDM strategies. Where territorial authorities had limited capacity and experience in implementing CP, programme authorities concerned about absorption issues and regulatory compliance were often reluctant to delegate substantial tasks and this limited some of the beneficial governance effects of TDM use at the territorial level. This meant that TDMs did not always target the places where their benefits in terms capacity-building were most needed. Implementing TDMs has improved vertical coordination between programme authorities and local authorities, particularly in TDMs covering metropolitan or functional urban areas. However, coordination benefits were less evident where strategies were based on single cities or towns. With the exception of CLLD, the research identified problems in raising awareness of TDMs and mobilising potential beneficiaries from outside of public administration.

TDM implementation was initially delayed due to lengthy preparatory phases. More intensive preparations (drafting strategies and establishing governance systems) were required compared to non-TDM CP projects. Delays during implementation were driven by public procurement issues, longer periods required for project selection and approval and complex domestic governance arrangements. However, by the end of 2023, financial implementation of TDMs had improved considerably, catching up with progress in non-TDM CP implementation, albeit with some variation across TDM types and MS. Cooperation between programme authorities, TDM strategy holders and applicants was key in addressing efficiency issues and establishing implementation arrangements that produced strategic operations. New regulatory provisions for the 2021-27 period have introduced more flexibility, addressing some of the bottlenecks identified.

The majority of territorial strategies covered in the research sought coherence with other domestic and EU strategies, plans or funding programmes, enabling complementarities and synergies to be identified and in some contexts the integration of management and implementation systems. Nevertheless, efforts to increase strategic coherence were conditioned by the varied quality and availability of other strategic frameworks across territorial contexts and challenged by tensions in aligning TDM priorities with the scope of eligible funding available in other EU and domestic instruments.

Analysis of data on the location and content of TDMs indicate their relevance to needs associated with different territorial contexts. There was variation in the use of TDMs in different types of territory, also reflected in funding allocations and coverage of fields of intervention. Across TDMs, strategy holders and beneficiaries noted the potential of TDMs to respond to the most relevant territorial needs. The process of setting up a new strategic territorial framework as part of the instrument was particularly effective in developing a comprehensive response to local problems. However, it was challenging

for TDM strategies and projects to combine relevance to the territory with relevance to the operational programmes from which they drew funding.

Despite barriers to integration, programme authorities, territorial strategy-holders and beneficiaries across TDM types highlighted how territorially coordinated support produced added value in comparison to previous practice. The benefits of an administrative culture with increased awareness of potential linkages between individual projects and funding were also identified. TDM implementation prompted processes of decentralisation and delegation that added value in strengthening local level participation in CP governance. However, this varied across TDM types (with SUD ITI and CLLD prominent) and according to existing levels of capacity. In territories with constrained CP capacities and experience, limited delegation reduced the scope for added value and this created the risk of TDMs reinforcing territorial imbalances in administrative capacity.

Implementing TDMs has had impacts beyond the strategies and operations themselves, contributing to the evolution of place-based policies in some MS. This was the case where CP funding has represented a major source of investment in regional development, where the allocation of this to TDMs was comparatively high and where processes of regional policy review or reform were underway. Use of the instruments informed regional policy frameworks and initiated lines of communication and collaboration that in some cases have broader significance for place-based policymaking. There was some limited evidence of TDM implementation increasing CP visibility among territorial stakeholders and communities in comparison to non-integrated forms of support. However, this varied across TDM types and also depended on the types of operation supported and willingness and capacity of strategy holders to organise outreach activities.

Drawing on the place-based Theory of Change and the related causality pathways, TDMs are innovative in offering the opportunity to design and adapt integrated responses to complex, place-specific challenges, the potential to bring CP investment closer to the people by giving local authorities and their local partners a more substantial role and stake in the process and in so doing build local capacity to steer development processes. Nevertheless, the administrative and regulatory challenges associated with place-based policymaking in the CP context should not be underestimated. Some of the substantial administrative resources involved in establishing TDM structures, strategies and project pipelines were ‘one off’ and that transaction costs have declined over time. Regulatory provisions introduced in 2021-27 have also addressed some of these difficulties. However, there are still areas where further work is needed to create a more supportive and flexible regulatory and programming environment for TDM implementation, to ensure sufficient capacity is in place for implementation, particularly in less experienced territories, and to put in place arrangements that generate more evidence of the value of these instruments in fostering place-based development in diverse territorial contexts.

Résumé exécutif

La publication du rapport Barca sur la réforme de la politique de cohésion en 2009 a souligné la nécessité d'un renforcement des interventions territorialisées, intégrant horizontalement différentes mesures sectorielles avec la participation active des acteurs locaux. Cette approche a été jugée essentielle pour répondre aux impacts territoriaux complexes des processus socio-économiques de niveau macro. Les dispositions réglementaires relatives aux Fonds structurels et d'investissement européens (FSIE) pour la période 2014-20 ont suivi cette voie. Elles ont introduit un ensemble de nouveaux mécanismes de mise en œuvre territoriale (Territorial Delivery Mechanisms, TDM), permettant d'adapter les investissements de la politique de cohésion aux besoins et potentiels spécifiques des territoires, de favoriser le développement territorial et de renforcer l'efficacité locale du soutien sectoriel. C'est dans ce contexte que la présente étude vise à dresser un bilan de l'utilisation de ces TDM durant la période 2014-20. Dans quelle mesure ont-ils respecté cette logique de soutien territorial et contribué au développement territorial ? Quels facteurs expliquent cela ? En pratique, qu'est-ce qui a fonctionné ou non ?

Cinq nouveaux types de TDM ont été introduits entre 2014 et 2020. Les stratégies de développement urbain durable (DUD) (financées par l'article 7 du FEDER, imposant un minimum de 5 % d'investissement au niveau national) pouvaient être mises en œuvre via des investissements territoriaux intégrés (ITI), des axes prioritaires de programme ou un programme opérationnel dédié. De plus, deux autres mécanismes facultatifs ont été introduits : le développement local mené par les acteurs locaux (DLAL) et les ITI non liés au DUD. Chacun de ces outils possède des spécificités, mais tous reposent sur des principes d'organisation communs inspirés du développement territorial intégré comme moyen de surmonter les obstacles au développement local et de libérer les potentiels locaux. Ces principes organisationnels étaient : une orientation stratégique sur l'identification des défis, des potentiels et des priorités dans des domaines spécifiques ; un investissement dans des stratégies intégrées dépassant les frontières administratives pour tenir compte des dynamiques fonctionnelles au sein des territoires ; et des modèles de gouvernance multi-niveaux associant des autorités centrales ou régionales avec la participation locale. Ces mécanismes ont été appliqués dans tous les États membres, mais avec des configurations très variées en termes de composition et de nombre de types, reflétant les différences dans les niveaux de financement disponibles au titre de la politique de cohésion, les priorités de développement territorial et les systèmes de gouvernance.

Il est difficile d'évaluer si et comment les TDM financés au titre de la politique de cohésion ont permis de surmonter les obstacles au développement local et d'activer les potentiels. La nature et la combinaison des facteurs contextuels qui influencent la mise en œuvre de ces instruments varient considérablement. De plus, la collecte de données désagrégées au niveau local est difficile, et des problèmes temporels liés à la période de mise en œuvre relativement courte, compte tenu des impacts territoriaux intégrés à long terme attendus. En réponse, l'étude a adapté l'approche de la théorie du changement pour identifier trois « voies de causalité » liées aux principes organisateurs des politiques territoriales : l'élaboration et l'utilisation de stratégies territoriales ; un processus d'allocation des ressources soutenant l'investissement intégré ; et l'utilisation d'un système de gouvernance multi-niveaux incluant un rôle actif pour le niveau local.

La recherche a fait appel à des méthodes quantitatives et qualitatives, notamment l'analyse d'ensembles de données de l'UE, l'examen de la documentation relative aux programmes et aux stratégies, ainsi que de la littérature académique et politique, une enquête auprès des représentants des autorités de programme et des responsables des stratégies des mécanismes, une étude de cas portant sur 30 TDM dans 19 États membres (EM) et des groupes de discussion avec des décideurs politiques et des bénéficiaires.

Sur cette base, la recherche a révélé que la valeur de l'utilisation des TDM pour renforcer la planification stratégique au niveau territorial était souvent compromise par la qualité insuffisante des stratégies. Un constat commun était que les logiques d'intervention et, par conséquent, les résultats attendus et la valeur ajoutée des TDM n'étaient pas suffisamment bien définis et que les systèmes de suivi et d'évaluation des stratégies peinaient souvent à surmonter les difficultés rencontrées par les politiques territoriales pour établir des preuves solides de l'efficacité. Malgré ces limites, les stratégies de TDM se sont avérées globalement efficaces pour mobiliser une lecture territoriale explicite. Dans plusieurs États membres, le processus de délimitation territoriale a suscité une interaction étroite entre les autorités nationales, les responsables des programmes et les acteurs territoriaux. De plus, les autorités territoriales ont joué un rôle important dans l'élaboration des politiques, notamment dans la réalisation d'analyses détaillées des besoins, généralement dans le cadre défini par les autorités nationales ou les responsables des programmes, ce qui a permis aux stratégies de s'appuyer directement sur les connaissances locales et de prendre en compte les spécificités locales.

Les TDM ont été efficaces pour promouvoir une approche intégrée et multisectorielle au niveau stratégique. Toutefois, à l'échelle des projets, il s'agissait plus souvent de coordination que d'intégration réelle. Les stratégies mêlant plusieurs thématiques ont favorisé l'inclusion des enjeux sectoriels dans les mesures de développement local. Les TDM ont soutenu des opérations stratégiques, territorialement ou fonctionnellement connectées, mais les limites des capacités administratives et les exigences réglementaires de l'UE et des États membres ont constitué des obstacles à une intégration plus poussée.

La délégation de la mise en œuvre de la politique de cohésion au sein des systèmes de gouvernance multi-niveaux était une caractéristique importante des TDM, offrant des avantages substantiels dans l'introduction de nouveaux systèmes, structures et outils renforçant le rôle des partenaires et parties prenantes territoriaux dans la PC et, dans certains cas, dans des processus de développement local plus larges. Cependant, les faiblesses en matière de capacités administratives et de gouvernance, ainsi que les priorités en matière de renforcement des capacités, n'étaient souvent pas articulées dans les stratégies de TDM. Lorsque les autorités territoriales disposaient de capacités et d'expérience limitées dans la mise en œuvre de la PC, les autorités de programme, préoccupées par les problèmes d'absorption et de conformité réglementaire, étaient souvent réticentes à déléguer certaines responsabilités, ce qui limitait certains des effets bénéfiques de l'utilisation de la TDM sur la gouvernance au niveau territorial. Cela signifie que les TDM ne ciblaient pas toujours les endroits où leurs avantages en termes de renforcement des capacités étaient les plus nécessaires. La mise en œuvre des TDM a renforcé la coordination verticale entre les autorités de programme et les autorités locales, en particulier dans les TDM couvrant des zones métropolitaines ou urbaines fonctionnelles. Cependant, les avantages en termes de coordination étaient moins évidents lorsque les stratégies étaient centrées sur une seule ville. À l'exception du DLAL, la recherche a constaté des difficultés pour faire connaître les TDM et mobiliser des bénéficiaires potentiels en dehors des administrations publiques.

La mise en œuvre des TDM a initialement été retardée en raison de longues phases préparatoires. Des préparatifs plus intensifs (élaboration de stratégies et mise en place de systèmes de gouvernance) ont été nécessaires par rapport aux projets de la politique de cohésion non liés au TDM. Les retards de mise en œuvre étaient dus à des problèmes de passation de marchés publics, à des délais plus longs pour la sélection et l'approbation des projets et à des dispositifs de gouvernance nationaux complexes. Cependant, fin 2023, la mise en œuvre financière des TDM s'était considérablement améliorée, rattrapant les progrès réalisés dans la mise en œuvre des projets PC non liés au TDM, malgré quelques variations selon les types de TDM et les États membres. La coopération entre les autorités du programme, les responsables de la stratégie TDM et les porteurs de projets a été déterminante pour améliorer l'efficacité et établir des modalités de mise en œuvre qui ont produit des opérations stratégiques. De nouvelles dispositions réglementaires pour la période 2021-27 ont introduit plus de flexibilité, remédiant à certains des goulets d'étranglement identifiés.

La majorité des stratégies territoriales analysées dans le cadre de la recherche visaient à assurer une cohérence avec d'autres stratégies, plans ou programmes de financement nationaux et européens, permettant ainsi d'identifier des complémentarités et des synergies et, dans certains contextes, d'intégrer les systèmes de gestion et de mise en œuvre. Cependant, les efforts visant à accroître la cohérence stratégique dépendait de la qualité et de la disponibilité d'autres cadres stratégiques, et a été compliquée par des divergences entre les priorités des TDM et l'éligibilité des financements européens et nationaux disponibles.

L'analyse des données sur la localisation et le contenu des TDM indique leur pertinence par rapport aux besoins associés aux différents contextes territoriaux. L'utilisation des TDM varie selon les types de territoire, ce qui se reflète également dans les allocations de financement et la couverture des domaines d'intervention. Dans l'ensemble des TDM, les porteurs de stratégie et les bénéficiaires ont souligné le potentiel des TDM à répondre aux besoins territoriaux les plus importants. Le processus de mise en place d'un nouveau cadre territorial stratégique dans le cadre de l'instrument s'est avéré particulièrement efficace pour élaborer une réponse globale aux problèmes locaux. Il était toutefois difficile pour les stratégies et les projets de TDM de combiner la pertinence pour le territoire avec la pertinence pour les programmes opérationnels dont ils tiraient leur financement.

Malgré les difficultés d'intégration, les autorités des programmes, les responsables des stratégies territoriales et les bénéficiaires de tous les types de TDM ont souligné la valeur ajoutée apportée par un soutien coordonné au niveau territorial par rapport aux pratiques antérieures. Une meilleure culture administrative a émergé, plus consciente des liens possibles entre projets individuels et financements. La mise en œuvre du TDM a favorisé des processus de décentralisation et de délégation qui ont renforcé la participation locale à la gouvernance de la PC. Cependant, cela variait selon les types de TDM (avec DUD ITI et DLAL en tête) et selon les niveaux de capacité existants. Dans les territoires dont les capacités et l'expérience en matière de PC sont limitées, la délégation limitée a réduit les possibilités de valeur ajoutée, ce qui a créé le risque que les TDM renforcent les déséquilibres territoriaux en matière de capacités administratives.

La mise en œuvre des TDM a eu des impacts qui dépassent les stratégies et les opérations elles-mêmes, contribuant à l'évolution des politiques territoriales dans certains États membres. Ce fut le cas lorsque le financement des PC a représenté une source majeure d'investissement dans le développement régional, lorsque l'allocation de ce financement aux TDM était relativement élevée et lorsque des processus de révision ou de réforme des politiques régionales étaient en cours. L'utilisation de ces instruments

a éclairé les cadres politiques régionaux et a initié des lignes de communication et de collaboration qui, dans certains cas, s'étendent au-delà de l'élaboration de politiques territoriales. Il existe des preuves limitées que la mise en œuvre des TDM a accru la visibilité des PC auprès des acteurs territoriaux et des communautés, par rapport aux formes de soutien non intégrées. Cependant, ces effets variaient selon les types de TDM et dépendait également des types d'opérations soutenues, ainsi que de la volonté et de la capacité des porteurs de stratégie à organiser des activités de sensibilisation.

S'appuyant sur la théorie du changement territorialisée et les liens de causalité qui y sont associés, les TDM sont innovants car ils offrent la possibilité de concevoir et d'adapter des réponses intégrées à des défis complexes et spécifiques à chaque territoire, mais aussi de rapprocher les investissements de la politique de développement durable des populations en conférant aux autorités locales et à leurs partenaires locaux un rôle et un enjeu plus importants dans le processus et, ce faisant, de renforcer les capacités locales à piloter les processus de développement. Néanmoins, les défis administratifs et réglementaires associés à l'élaboration de politiques territoriales dans le contexte de la politique de développement durable ne doivent pas être sous-estimés. Certaines des ressources administratives importantes nécessaires à la mise en place des structures, des stratégies et des pipelines de projets de TDM étaient ponctuelles et les coûts de transaction ont diminué au fil du temps. Les dispositions réglementaires introduites pour la période 2021-27 ont également permis de remédier à certaines de ces difficultés. Cependant, des efforts supplémentaires restent nécessaires dans certains domaines afin de créer un environnement réglementaire et programmatique plus favorable et plus flexible pour la mise en œuvre de la TDM, de garantir la mise en place de capacités suffisantes pour sa mise en œuvre, en particulier dans les territoires moins expérimentés, et de mettre en place des dispositifs qui produisent des preuves tangibles de l'intérêt de ces instruments pour favoriser le développement territorialisé dans divers contextes territoriaux.

Zusammenfassung

Der 2009 veröffentlichte Barca-Bericht zur Reform der Kohäsionspolitik plädierte für eine stärkere Fokussierung auf gebietsbezogene Interventionen mit horizontaler Integration verschiedener sektoraler Maßnahmen und aktiver Beteiligung lokaler Akteure. Dies wurde als entscheidend für die Bewältigung der komplexen territorialen Auswirkungen sozioökonomischer Prozesse auf Makroebene angesehen. Die regulatorischen Bestimmungen für die Europäischen Struktur- und Investitionsfonds (ESI-Fonds) 2014-20 folgten diesem Beispiel. Sie führten eine Reihe neuer territorialer Umsetzungsmechanismen (TDM) ein, die es ermöglichten, gebietsbezogene Investitionen an ortsspezifische Bedürfnisse und Potenziale anzupassen, die territoriale Entwicklung zu fördern und die lokale Wirksamkeit der sektoralen Unterstützung zu stärken. Vor diesem Hintergrund besteht das Ziel dieser Studie darin, eine Bestandsaufnahme der Nutzung dieser TDM in den Jahren 2014–20 vorzunehmen. Inwieweit folgten sie diesem Grundsatz der ortsbezogenen Unterstützung und förderten die territoriale Entwicklung? Welche Faktoren erklären dies? Was hat in der Praxis funktioniert und was nicht?

Im Zeitraum 2014-20 wurden fünf neue Arten von TDMs eingeführt. Strategien für nachhaltige Stadtentwicklung (SUD) (finanziert durch Artikel 7 des EFRE, der Investitionen von mindestens 5% der Fonds auf nationaler Ebene erforderte) konnten durch Integrierte Territoriale Investitionen (ITI), Programmprioritätsachsen oder als dediziertes Operationelles Programm umgesetzt werden. Zusätzlich wurden zwei weitere optionale TDMs eingeführt: von der Bevölkerung betriebene lokale Entwicklung (Community-led Local Development, CLLD) und ITIs ohne SUD-Bezug. Trotz der spezifischen Merkmale jedes dieser Instrument wiesen alle Organisationsprinzipien auf, die dem Konzept der ortsbezogenen Entwicklung folgten und zum Ziel hatten, Hindernisse für die lokale Entwicklung zu überwinden und lokale Potenziale freizusetzen. Diese Organisationsprinzipien waren: ein strategischer Fokus auf die Identifizierung von Herausforderungen, Potenzialen und Prioritäten in bestimmten Räumen; Investitionen in integrierte Strategien, die administrative Grenzen überschreiten, um funktionale Zusammenhänge innerhalb der Gebiete zu erfassen; und Multi-Level-Governance-Modelle, die zentrale oder regionale Steuerung mit lokaler Beteiligung kombinieren. TDMs wurden in allen Mitgliedstaaten angewendet, jedoch mit sehr unterschiedlicher Ausgestaltung hinsichtlich Kombination und Anzahl der Typen, was Unterschiede in der Höhe der verfügbaren kohäsionspolitischen Finanzierung, den territorialen Entwicklungsprioritäten und den Governance-Systemen widerspiegelte.

Die Beurteilung, ob und wie kohäsionspolitikfinanzierte TDMs Hindernisse für die lokale Entwicklung überwinden und Potenziale freisetzen konnten, ist schwierig und die Art und Zusammensetzung der Kontextfaktoren, die die Umsetzung dieser Instrumente beeinflussen, variieren erheblich. Zudem ist es schwierig, konsistente, aufgeschlüsselte Daten auf lokaler Ebene zu erhalten. Zeitliche Probleme ergeben sich aufgrund der relativ kurzen Umsetzungsdauer angesichts der erwarteten langfristigen, integrierten territorialen Auswirkungen. Als Reaktion darauf, adaptierte die Studie den Ansatz der Theorie des Wandels, um drei „Kausalitätspfade“ zu identifizieren, die auf den Organisationsprinzipien ortsbezogener Politiken basieren: Entwurf und Anwendung territorialer Strategien; ein Prozess der Ressourcenallokation zur Unterstützung integrierter Investitionen; und die Nutzung eines Multi-Level-Governance-Systems mit einer aktiven Rolle der lokalen Ebene. Die Forschung umfasste quantitative und qualitative Methoden, darunter die Analyse von EU-Datensätzen, die Überprüfung von Programm- und Strategiedokumentationen sowie wissenschaftlicher und politischer Literatur, eine Befragung von Vertretern von Programmbehörden und TDM-

Strategieträgern, Fallstudien zu 30 TDMs in 19 Mitgliedstaaten und Fokusgruppen mit politischen Entscheidungsträgern und Begünstigten.

Darauf aufbauend ergab die Studie, dass der Nutzen des TDM-Einsatzes zur Stärkung der strategischen Planung auf territorialer Ebene oft durch die mangelnde Qualität der Strategien beeinträchtigt wurde. Ein häufiges Ergebnis war, dass die Interventionslogik und damit die gewünschten Ergebnisse und der Mehrwert von TDMs nicht ausreichend definiert waren. Die Monitoring- und Evaluierungssysteme der Strategien hatten oft Schwierigkeiten, die Herausforderungen ortsbezogener Politiken beim Nachweis ihrer Wirksamkeit zu bewältigen. Trotz dieser Defizite erwiesen sich TDM-Strategien bei der Anwendung einer explizit territorialen Perspektive als weitgehend wirksam. In mehreren Mitgliedstaaten führte der territoriale Definitionsprozess zu einer engen Zusammenarbeit zwischen nationalen Behörden, Programmbehörden und regionalen Akteuren. Darüber hinaus spielten die territorialen Behörden eine wichtige Rolle bei der Ausarbeitung, einschließlich der Durchführung detaillierter Bedarfsanalysen, in der Regel innerhalb der von den nationalen oder Programmbehörden festgelegten Rahmenbedingungen. Dies erweiterte den Spielraum für Strategien, direkt auf lokales Wissen zurückzugreifen und ortsspezifische Besonderheiten zu berücksichtigen.

TDMs haben sich als wirksam erwiesen, um einen integrierten, multisektoralen Rahmen auf Strategieebene zu fördern. Auf Projektebene war jedoch eher Koordinierung als Integration erkennbar. Strategien, die verschiedene Sektoren kombinieren, haben eine stärkere Integration sektoraler Themen in lokale Wirtschaftsentwicklungsmaßnahmen gefördert. TDMs unterstützten strategische, territorial oder funktional verknüpfte Maßnahmen, doch eingeschränkte Verwaltungskapazitäten sowie regulatorische Anforderungen der EU und der Mitgliedstaaten standen einer stärkeren Integration im Wege.

Die Delegation der Kohäsionspolitikumsetzung innerhalb mehrstufiger Governance-Systeme war ein wichtiges Merkmal von TDMs. Sie bot erhebliche Vorteile bei der Einführung neuer Systeme, Strukturen und Instrumente, die die Rolle territorialer Partner und Interessengruppen in der Kohäsionspolitik und in einigen Fällen auch in umfassenderen lokalen Entwicklungsprozessen stärkten. Schwächen in der Verwaltungskapazität und Governance sowie Prioritäten im Kapazitätsaufbau wurden jedoch in TDM-Strategien häufig nicht thematisiert. Wo Gebietskörperschaften nur über begrenzte Kapazitäten und Erfahrung in der kohäsionspolitischen Umsetzung verfügten, zögerten Programmbehörden, die sich um Absorptionsprobleme und die Einhaltung gesetzlicher Vorschriften sorgten, oft, wesentliche Aufgaben zu delegieren. Dies schränkte einige der positiven Governance-Effekte des TDM-Einsatzes auf territorialer Ebene ein. Dies bedeutete, dass TDMs nicht immer dort ankamen, wo ihre Vorteile im Hinblick auf den Kapazitätsaufbau am dringendsten benötigt wurden. Die Umsetzung von TDMs verbesserte die vertikale Koordination zwischen Programmbehörden und lokalen Behörden, insbesondere bei TDMs, die Metropolen oder funktionale städtische Gebiete abdeckten. Die Koordinierungsvorteile waren jedoch weniger deutlich, wenn die Strategien auf einzelne Städte oder Gemeinden ausgerichtet waren. Mit Ausnahme von CLLD identifizierte die Studie Probleme bei der Bekanntmachung von TDMs und der Mobilisierung potenzieller Begünstigter außerhalb der öffentlichen Verwaltung.

Die Umsetzung von TDMs verzögerte sich zunächst aufgrund langwieriger Vorbereitungsphasen. Im Vergleich zu Nicht-TDM-Projekten waren intensivere Vorbereitungen (Ausarbeitung von Strategien und Einrichtung von Governance-Systemen) erforderlich. Verzögerungen während der Umsetzung waren auf Probleme bei der öffentlichen Auftragsvergabe, längere Zeiträume für Projektauswahl und -genehmigung sowie komplexe nationale Governance-Regelungen zurückzuführen. Bis

Ende 2023 hatte sich die finanzielle Umsetzung von TDM jedoch deutlich verbessert und den Stand der Umsetzung sonstiger Kohäsionspolitik erreicht, wenn auch mit gewissen Unterschieden zwischen TDM-Typen und Mitgliedstaaten. Die Zusammenarbeit zwischen Programmbehörden, TDM-Strategieträgern und Antragstellern war entscheidend, um Effizienzprobleme zu lösen und Umsetzungsvereinbarungen zu etablieren, die strategische Operationen ermöglichten. Neue regulatorische Bestimmungen für den Zeitraum 2021-27 bringen mehr Flexibilität und beseitigen einige der identifizierten Engpässe.

Die meisten der untersuchten territorialen Strategien strebten Kohärenz mit anderen nationalen und EU-Strategien, -Plänen oder -Förderprogrammen an. Dies ermöglichte die Identifizierung von Komplementaritäten und Synergien sowie in einigen Kontexten die Integration von Management- und Umsetzungssystemen. Die Bemühungen um mehr strategische Kohärenz waren jedoch durch die unterschiedliche Qualität und Verfügbarkeit anderer strategischer Rahmen in den verschiedenen territorialen Kontexten bedingt und wurden durch die Schwierigkeiten bei der Abstimmung der TDM-Prioritäten mit dem Umfang der förderfähigen Mittel anderer EU- und nationaler Instrumente erschwert.

Die Analyse der Daten zu Standort und Inhalt der TDMs zeigt deren Relevanz für die Bedürfnisse unterschiedlicher territorialer Kontexte. Die Nutzung der TDMs in verschiedenen Gebietstypen variierte, was sich auch in der Mittelzuweisung und der Abdeckung der Interventionsbereiche widerspiegelte. Strategieträger und Begünstigte erkannten das Potenzial der TDMs, die wichtigsten territorialen Bedürfnisse zu erfüllen. Die Entwicklung eines neuen strategischen territorialen Rahmens im Rahmen des Instruments erwies sich als besonders effektiv bei der Entwicklung einer umfassenden Lösung für lokale Probleme. Allerdings war es für TDM-Strategien und -Projekte eine Herausforderung, die Relevanz für das Gebiet mit der Relevanz für die operationellen Programme zu verbinden, aus denen sie finanziert wurden.

Trotz Integrationshindernissen betonten Programmbehörden, territoriale Strategieträger und Begünstigte aller TDM-Typen, dass die territorial koordinierte Unterstützung im Vergleich zur bisherigen Praxis einen Mehrwert erbrachte. Auch die Vorteile einer Verwaltungskultur mit einem stärkeren Bewusstsein für potenzielle Zusammenhänge zwischen Einzelprojekten und Finanzierung wurden hervorgehoben. Die TDMImplementierung löste Dezentralisierungs- und Delegationsprozesse aus, die die lokale Beteiligung an der kohäsionspolitischen Governance stärkten. Dies variierte jedoch je nach TDM-Typ (wobei SUD, ITI und CLLD im Vordergrund standen) und je nach vorhandener Kapazität. In Gebieten mit eingeschränkten Kapazitäten und -Erfahrungen verringerte eine eingeschränkte Delegation den Spielraum für Mehrwert, was das Risiko birgt, dass TDMs territoriale Ungleichgewichte in der Verwaltungskapazität verstärken.

Die Umsetzung von TDMs hatte Auswirkungen, die über die Strategien und Maßnahmen selbst hinausgingen und in einigen Mitgliedstaaten zur Entwicklung ortsbezogener Politiken beitrugen. Dies war dort der Fall, wo Kohäsionsmittel eine wichtige Investitionsquelle für die regionale Entwicklung darstellten, die Zuweisung dieser Mittel an TDMs vergleichsweise hoch war und Prozesse der Überprüfung oder Reform der Regionalpolitik im Gange waren. Der Einsatz der Instrumente prägte regionalpolitische Rahmenbedingungen und initiierte Kommunikations- und Kooperationswege, die in einigen Fällen von größerer Bedeutung für die ortsbezogene Politikgestaltung sind. Es gab einige begrenzte Hinweise darauf, dass die Umsetzung von TDMs die Sichtbarkeit der Kohäsionspolitk bei territorialen Akteuren und Gemeinschaften im Vergleich zu nicht integrierten Unterstützungsformen erhöhte. Dies variierte jedoch je nach TDM-Typ und

hing auch von den unterstützten Maßnahmen sowie der Bereitschaft und Kapazität der Strategieträger ab, Outreach-Aktivitäten zu organisieren.

Basierend auf der ortsbezogenen Theorie des Wandels und den damit verbundenen Kausalitätspfaden bieten TDMs innovative Möglichkeiten, integrierte Antworten auf komplexe, ortsspezifische Herausforderungen zu entwickeln und anzupassen. Sie bieten das Potenzial, kohäsionspolitische Investitionen den Menschen näher zu bringen, indem sie den lokalen Behörden und ihren örtlichen Partnern eine stärkere Rolle und Beteiligung am Prozess einräumen und so lokale Kapazitäten zur Steuerung von Entwicklungsprozessen aufbauen. Dennoch sollten die administrativen und regulatorischen Herausforderungen, die mit der ortsbezogenen Politikgestaltung im kohäsionspolitichen Kontext verbunden sind, nicht unterschätzt werden. Einige der erheblichen administrativen Ressourcen, die für den Aufbau von TDM-Strukturen, -Strategien und -Projektpipelines erforderlich waren, waren einmalig, und die Transaktionskosten sind im Laufe der Zeit gesunken. Die in den Jahren 2021-27 eingeführten regulatorischen Bestimmungen haben einige dieser Schwierigkeiten ebenfalls berücksichtigt. Es besteht jedoch weiterhin Handlungsbedarf, um ein unterstützenderes und flexibleres regulatorisches und programmatorisches Umfeld für die TDM-Umsetzung zu schaffen, ausreichende Kapazitäten für die Umsetzung sicherzustellen, insbesondere in weniger erfahrenen Gebieten, und Regelungen zu schaffen, die den Wert dieser Instrumente für die Förderung ortsbezogener Entwicklung in unterschiedlichen territorialen Kontexten stärker belegen

1. Introduction

"The place-based (territorial) development policy model, the paradigm that cohesion policy aims to implement, is a modern way to promote development and it is the only model available at this stage to the European Union to fulfil the development mission required by its own existence".[1]

Integrated territorial development was one of the innovative elements of the 2013 reform of Cohesion Policy. The Barca Report on reform of Cohesion policy (2009) argued for a strengthened focus on area-based interventions with horizontal integration of different sectoral measures. The report highlighted the importance of addressing the complex territorial impacts of macro-level socio-economic developments, with the active participation of local stakeholders. Related, new regulatory provisions for European Structural and Investment Funds (ESIF) in 2014-20 formalised territorial cohesion as an objective for the EU in the Treaty on the Functioning of the EU (TFEU). The Territorial Agenda of the European Union, adopted in December 2020, also aims to promote territorial cohesion. In this context, a more territorially specific and integrated mix of interventions was required to engage with territorial cohesion, maximise policy impact, develop the potential of diverse types of territories, and respond to new challenges, such as globalisation, climate change, energy security, social vulnerability and environmental vulnerability.

A set of new Territorial Delivery Mechanisms (TDMs) launched in 2014-20. Place-based, integrated territorial development could now be implemented through Cohesion Policy (CP) in a number of ways:

- SUD funded through ERDF Article 7 and delivered through Integrated Territorial Investments (Code 1, SUD ITIs),
- Programme Priority Axes or Programmes themselves (Code 2),
- Community-led Local Development (CLLD, Code 6); and,
- non-SUD ITIs (Code 3).

These instruments offered the potential to design, and tailor integrated, place-specific responses to complex territorial challenges through CP. They also offered the potential to bring EU investment 'closer to the people' by giving local authorities and their local partners a more prominent role and stake in the process. At the same time, there are challenges in implementing these instruments and in ensuring their long-term sustainability. Further, the launch of major new EU instruments and funds, such as the Recovery and Resilience Facility, offers significant sources of alternative funding for local authorities and stakeholders. These issues raise important questions on the territorial dimension of CP and, by assessing the role and contribution of territorial instruments, the results of this study can inform debate on future CP.

Against this background, the objective of this study is to evaluate the different types of investments supported by the ERDF and the CF through TDMs. Specifically, it:

[1] Barca F (2009) *An Agenda for a reformed Cohesion policy – A place-based approach to meeting European Union challenges and expectations*, p. 108.

- assesses the rationale for the use of place-based policy instruments to promote territorial development and deliver CP objectives while strengthening the local effectiveness of its sectoral support;
- analyses evidence of the effectiveness of integrated territorial instruments;
- studies efficiency, coherence with other policies, their relevance and EU added value; and,
- identifies factors contributing to the success or failure of place-based instruments in promoting territorial development under different territorial and socio-economic conditions, and their contribution to meeting the relevant objectives of CP.

The study is structured in five sections. Following this introduction,

- Section 2 sets out the study methodology, detailing the quantitative and qualitative methods and approaches for each task.
- Section 3 sets out the theoretical and policy context for place-based policies and provides an overview of the implementation of TDMs.
- Section 4 analyses the achievements of TDMs, structured around three causality pathways:
    - the process of developing TDM strategies,
    - the process of resource allocation, and
    - governance systems for implementation.
- Section 5 addresses key questions in relation to effectiveness, efficiency, coherence, and relevance and EU added value.
- Section 6 sets out conclusions and lessons learned and reviews the evidence base the work has drawn on.

2. Methodology

The research employed a range of quantitative and qualitative methods across the five main tasks (Table 1). It should be noted from the outset that the research team faced challenges in carrying out quantitative analysis, including: **data gaps in operation-level data in the Single Database[2] (for some MS operation-level data were not categorised according to TDM codes), data misalignment between ODP and STRAT-Board data**; and, difficulties in geo-localising TDM investments due to limited data availability and comparability (databases contained data at different levels of granularity and used different categorisations of territory).

Table 1: Research methodology: tasks, objectives, actions and outputs

Task	Objectives	Actions	Outputs
1 Overview of instruments	Review per instrument of key features (territorial coverage, needs addressed, measures, organisation, funding, monitoring, results) Establishing patterns of integrated support	Matching, enriching and analysing EU/MS datasets (incl. SFC2014) Analysing EU policy documents, territorial strategies, secondary data (incl. STRAT-Board) Survey & interviews with MAs Close coordination with lit. review under Task 2	Full list of instruments Overview of key characteristics Mapping of typologies (themes, objectives, territorial focus, rationales for support and theories of change) Analytical overview of patterns Inform case study selection
2 Literature review	Review key features of place-based instruments Explore effectiveness Identify success factors and best practices Review rationales for use, identify theories of change	Documentary review (academic, policy literatures, evaluation studies) Qualitative meta-analysis (structured analysis under key 'meta-categories') Close coordination with data gathering and analysis under Task 1	Structured database of publications Synthesis of results (incl. findings per instrument, success factors, good practices) Contribution to Task 3 methodology

[2] In preparation for the 2014-20 ex post evaluation, the European Commission (DG REGIO) awarded a contract to carry out a study on the monitoring data on ERDF and Cohesion Fund operations and on the monitoring systems operated in the 2014-20 period. The study resulted in the preparation of a "Single Database" covering 215 Programmes (OPs) financed by the ERDF and/or CF and 73 Interreg Programmes (CPs), across the 12 Thematic Objectives (TOs) (i.e. 96% of the total number of programmes in scope). It covers 585,000 operations (dataset on operations), 1,169,000 beneficiaries (dataset on beneficiaries) as well as common and programme-specific output indicators that could be collected at the operation level (713,600 common output indicators and 491,500 programme-specific output indicators (dataset on indicators). More information on the Single database is available here: https://cohesiondata.ec.europa.eu/stories/s/2014-2020-Data-on-operations-WP2-public-/h9bm-ur7f

3 Case studies	Assess rationale for use Understand anticipated results and extent of realisation Identify key explanatory factors Provide insights on 'theory of change' narratives	Scoping/context: documentary research, data collection Analysis: documentary research, interviews (multi-level) Discuss theories of change narratives in focus groups	Comparative analysis 5 case study reports Strategy case fact sheets Focus group reports
4 Fiches & cookbook	Ensure effective communication and dissemination of results Facilitate capacity-building for practitioners	Integrating data and insights from T1-3 Development of concise, accessible formats Overall analysis of policy areas supported by instruments Providing summaries for each type of instrument	Set of country fiches 'Cookbook' of territorial instruments
5 Seminar	Deepen analysis of research Discuss key findings Promote exchange of experience, learning	Identifying speakers & participants Preparing materials Facilitating seminar Reporting	Seminar report

Task 1 (Overview of instruments). Task 1 was largely based on desk research and data anaylysis. The work involved collecting, refining and analysing existing data for the purposes of developing quantitative analyses of TDMs. The study team analysed the datasets available from the Cohesion Open Data platform, the Single database developed under WP2, the STRAT-Board data, and the SFC2014 system to map the main investments typologies. This analysis identifies common patterns, similarities and differences in relation to features of the supported instruments and the territories they operate in. At the same time, analysis of MS and regional policy documents, based on a coding framework linked to the Task 2 literature review, generated qualitative insights.

An **online survey of representatives of programme authorities and TDM strategy holders** across MS was used to triangulate data with the quantitative data and documentary research. The survey allowed to close information gaps and understand the rationale behind the choice of different TDMs. In May 2023, the survey was sent out to 139 contacts from MAs that implemented Operational Programmes (OPs) which allocated funding under TDMs. The survey was further disseminated by the MAs to local authorities and other relevant territorial stakeholders. To increase the survey response rate, we sent three reminders to MAs and encouraged the representatives involved in the practitioners' panel to fill in the survey and disseminate it further. The survey collected

219 responses from 19 MS in the period between May and June 2023 (see Appendix 1 with survey data).

Task 2 (Literature review). In parallel with Task 1, the Research Team carried out a structured review of academic literature and evaluation studies. An initial collection of literature was carried out centrally (comprising over 70 academic articles and policy reports but was subsequently expended through the contribution of National Experts identifying key publications in their own MS (including non-English language material). This added 41 academic articles, 46 policy reports and 59 evaluations on the use and impact of place-based policy approaches as a whole and TDMs specifically. In order to maximise the contribution of these secondary sources, the research team translated these documents and used Nvivo to code documents according to the main organising principles of the concept of place-based policy (territoriality, integrated investment, multi-level governance), explored the links between these principles and the effectiveness of these instruments in different territorial contexts, and identifed success factors and best-practices.The evidence was structured according to TDM type and then synthesised to inform the methodology for case study research (Task 3). Material from the review was also integrated into the discussion of research findings in this report to substantiate or test insights.

Task 3 (Case studies). Task 3 involved case study research covering 30 individual TDMs (six SUD ITI, six SUD PrAx, five SUD OP, seven non-SUD ITI and six CLLD) from across 19 MS. The aim was to explore in depth the effects and impacts of each type of integrated territorial instrument. A mix of research methods were used, and multiple levels and stakeholder types are involved. The task involved documentary research, interviews with programme authorities, TDM strategy holders and beneficiaries, and stakeholder Focus Groups. The case studies explored the rationale for the selection, design and implementation of specific instruments; expected achievement and the extent to which they were realised; and identified the key factors influencing progress. Task 3 developed detailed insights and ‘theory of change’ narratives for each TDM type, which are presented in five case study reports and a synthesis.

Task 4 (Fiches and cookbook). Task 4 builds on the insights from Tasks 1-3. The task involved preparing a set of TDM instrument and MS fiches covering insights into the implementation and impacts of TDMs. Based on insights from the research, a ‘cookbook’ was also prepared which provides policy practitioners with concise, informative and visual guidance and a summary of the key lessons learned. These findings are presented in an accessible way through maps, diagrams and infographics to ensure effective and efficient communication of the key ‘take-away’ messages for policymakers and practitioners.

Task 5 (Seminar). Task 5 involved a research seminar which took place on 10 April 2024 at TU Delft. The event was facilitated by the core research team. Participants included representatives of the DG REGIO Evaluation Unit at the European Commission, programme authorities and territorial authorities with responsibilities in designing and implementing TDM strategies and operations from a number of MS, and thematic experts. The event included the presentation of emerging study findings, ‘spotlight’ presentations from selected country cases, group discussions and expert feedback. The discussions and resulting ‘focus group’ report inform final research deliverables.

3. Assessing TDMs as place-based instruments

The concept of place-based development favours policies that are sensitive to institutional, legal, geographical, and political heterogeneity across territories. It relates to policies that address local, place-specific market imperfections or externalities that deepen territorial disparities and emphasise endogenous factors that influence innovation and development.

Contemporary regional policy systems in Europe include a diverse range of place-based initiatives. What they have in common are the key organising principles related to: applying a strategic territorial lens that identifies combinations of challenges, potentials and priorities that influence the development of different places; integrating investment to address cross-cutting territorial issues viewed beyond single sectoral or institutional boundaries; and, the use of multi-level governance models that support the contribution of local actors. These initiatives also face common challenges: overcoming regulatory barriers to policy integration, building evidence on the effectiveness and impact of place-based policies and dealing with territorial asymmetries in administrative capacities.

CP TDMs launched in 2014-20 followed these place-based organising principles. Although there were some differences between TDM types, common to all these was the requirement to operate on the basis of a territorial strategy that identified place-specific needs and involved territorial actors in design of the strategy and delivery of operations. In doing this, TDMs faced the dilemmas and challenges experienced by other place-based policies but within the CP context. TDMs introduced new regulatory requirements at a time when the need for simplification in the management and control of CP had become a central topic of debate. The challenges encountered in assessing the performance of place-based policies applied to TDMs at time when evidence-based policymaking was becoming increasingly prominent in CP. The prominence accorded to multi-level governance and the increased role of local stakeholders in TDMs came as there was growing recognition that the quality and capacity of public administration, were important explanatory variables in CP performance.

Thus, a basic question for this study is whether CP-funded TDMs have been able to achieve the potential benefits offered by place-based policies? Have they achieved their ambitions to unlock strategic territorial knowledge to inform CP implementation? Have they succeeded in integrating investment in cross-cutting territorial issues viewed beyond single sectoral or institutional boundaries? Have they introduced or strengthened CP governance arrangements to create greater opportunities for local participation and 'ownership' of the policy?

3.1. The concept of place-based development - principles, examples and challenges

Increased emphasis on place-based CP investment reflects ongoing academic debates and regional policy practice. New economic geography, new institutionalism and local economic development theories have increasingly underlined the importance of local socio-economic and institutional contexts and resources in informing investment. The argument is that development policies need to be sensitive to institutional, legal, geographical, and political heterogeneity across territories, taking into consideration the endogenous factors that influence innovation and development.[3] Sectoral or space-neutral policies, built around the promotion of specific sectors or technologies with little or no consideration of the territorial context, risk neglecting place-specific market

[3] Barca F, McCann P and Rodríguez-Pose A (2012) 'The case for regional development intervention: Place-based versus place-neutral approaches', *Journal of Regional Science*, 52(1), pp. 134-152.

imperfections or externalities that can have significant spatial implications. For example, large cities can reach a point where diseconomies make them less competitive because of negative externalities caused by rapid growth and diminishing returns. Investment in large urban centres does not guarantee beneficial spillovers to outlying or rural areas and polarising effects may be evident. Urban areas themselves display large socio-economic inequalities within them, and wealthier cities tend to be more segregated by income than less wealthy cities.[4] In rural areas there can be specific territorial challenges related to fragmented settlement patterns, demographic pressure and provision of public services. In response to these problems, the concept of place-based development recommends that policies address the local scale of processes of technology and knowledge diffusion, the local operation of markets and competition, the evolution of transaction structures, networks and inter-enterprise relations, labour market profiles, and local institutional cultures and capacities.[5]

The **key organising principles of place-based policies** relate to their focus on territorial specificity, their support of integrated measures and their governance models.[6]

- A common characteristic is the **use of place-specific strategies that identify territorial needs and potentials**, articulate a vision for development and define objectives and actions based on the interaction of local and general knowledge and the input of endogenous and exogenous actors. This applies to different types of place, including functional urban areas around large cities (addressing flows of people and resources across administrative boundaries), cities (urban centres themselves display substantial and persistent internal socio-economic disparities)[7] and more peripheral territories (smaller sized towns, especially those in rural or peripheral areas outside the commuter hinterland of large cities, are increasingly regarded as potential 'anchors' for less urbanised regions).[8]

- In theory, these territorial strategies should create an **integrated, multisectoral framework involving the provision of different mixes of investment according to territorial specificities**.[9] Investments need to be integrated spatially and functionally, to foster integrated development projects in which resources are targeted at a range of actors across different sectors. This draws together policy domains, breaking down siloes and pooling funding to reduce duplication and address gaps in provision. This can involve incorporating initiatives related to infrastructure investment, social inclusion, service provision, environmental sustainability.[10]

[4] Iammarino S, Rodriguez-Pose A and Storper M (2017) Why regional development matters for Europe's economic future. European Commission WP 07-2017 Directorate-General for Regional and Urban Policy.
[5] Rodríguez-Pose A and Wilkie C (2017b) Revamping Local and Regional Development Through Place-Based Strategies. Cityscape: A Journal of Policy Development and Research, 19(1), 151-170.
[6] Green A (2023) "When should place-based policies be used and at what scale?", Background paper for the OECD-EC High-Level Expert Workshop Series on "Place-Based Policies for the Future", Workshop 2, 12 May 2023.
[7] OECD (2018) *Divided Cities: Understanding Intra-urban Inequalities*, OECD Publishing, Paris, https://doi.org/10.1787/9789264300385-en.
[8] Medeiros E and Rauhut D (2020) 'Territorial Cohesion Cities: a policy recipe for achieving Territorial Cohesion?', *Regional Studies*, 54(1), 120-128.
[9] McCann P (2023) "How Have Place-Based Policies Evolved to Date and What Are They For Now?", Background paper for the OECD-EC High-Level Expert Workshop Series on "Place-Based Policies for the Future", Workshop 1, 14 April 2023.
[10] McCann P (2021) "Space-Blind and Place-Based Policy: Initiatives for Fostering Innovation and Growth", GOLD VI Working Paper Series #04, United Cities and Local Governments, Barcelona

- Finally, place-based measures emphasise the value of **multi-level governance structures** that inform the optimal territorial mix of resources and investment priorities and achieve necessary coordination. This involves inputs from different institutional and spatial scales but includes the incentivisation of local actors to make local decisions on the basis of their best local knowledge and local engagement in order to target investment, enhance local capacities for co-design of policies and strengthen local commitment. The role of higher levels is to provide an overarching framework for coordination, to ensure sufficient investment of resources are available and to provide support for local actors.[11]

Contemporary regional policy systems in Europe have a diverse range of measures that can be included under the place-based heading. They cover different measures accessible for different types of territories and encompassing a wide array of priorities such as research and development, education, housing, urban planning, arts, environment, agriculture etc.[12] Nevertheless, they emphasise the concept's main organising principles. Drawing on a review of various academic and practitioner sources, Table 2 presents some examples. The table is not intended to represent a comprehensive overview nor highlight good practice but to illustrate how place-based policy principles are reflected in contemporary regional policy currents in Europe.

Table 2: Place-based policies in contemporary regional policy

Principle	Description	Examples
Territorial focus	Spatial lens identifies combinations of challenges & potentials that influence the development of different places. Can include: micro-zoning (cities, districts, neighbourhoods); rural & remote areas; areas with specific geographical endowments; functional areas (metropolitan areas, urban-rural linkages).	Neighbourhood plans supporting social and economic development projects (e.g. Pla de Barris, Spain, reducing inequalities targeting specific neighbourhoods). Sustainable use of and identification with river basins (e.g. 'Neckar Valley Green Corridor', Germany, initiative upgrading industrialised river landscape) Sustainable Urban Mobility Plans as strategic documents that coordinate transport investment in core city and its metropolitan hinterland (e.g. SUMP for Greater Manchester city region, UK).
Policy integration & synergies	Cross-cutting territorial issues viewed beyond single sectoral or institutional boundaries.	Packages of measures to support areas facing specific structural challenges (e.g. Programme for Silesia, Poland; SALK Action Plan in Limburg, Belgium integrating support for innovation, skills, infrastructure development, 'clean air' initiatives etc. Regional Innovation Strategies integrate support for business, education, skills, science and research etc. to identify and respond to territory's long-term and innovation needs.
Governance	Multi-level systems strengthen governance structures and cultures, boosting capacities particularly at the local level.	Territorial Contracts, City-Deals (e.g. in France, Poland, UK) as agreements between state and local authorities to integrate and territorially target bundles of investments and other incentives, often accompanied by delegated or decentralised implementation responsibilities.

[11] Rodríguez-Pose A and Ketterer T (2019) Institutional change and the development of lagging regions in Europe. *Regional Studies*, *54*(7), 974-986.
[12] Suedekum J (2023) "TBC", Background paper for the OECD-EC High-Level Expert Workshop Series on "Place-Based Policies for the Future", Workshop 1, 14 April 2023.

	Vertical, multi-level coordination between national, regional and local administrations Strengthened horizontal coordination and cooperative dynamics, especially at the local level	Inter-municipal cooperation spanning various policy areas, including service provision, economic development in order to achieve economies of scale (e.g. joint municipal committees in Sweden).

Source: Compiled by research team, based on Task 2 literature review.

Nevertheless, several issues have proved problematic for place-based policies. Their success depends on effective governance and administrative capacity, quality of institutional and strategic frameworks, active involvement from key local leaders and their communities as well as a clear focus on needs, objectives and the measurable goals of the policy from the outset. These qualities vary considerably across territorial contexts:[13]

- **Overcoming regulatory barriers to policy integration**. Different policy fields and different levels of public administration are subject to specific regulations and targets. Adhering to these has the potential to create bureaucratic complexity and tensions between local priorities and national regulatory objectives if these do not align.[14] Stakeholders in place-based policies will frequently have different targets and regulatory frameworks to adhere to, depending on their specific sector or government level. To take an example, ensuring compliance with environmental laws and regulations is frequently a challenge for place-based policies, with co-competencies and overlapping competencies, complex public procurement frameworks and controls set at various levels in different national contexts.[15]

- **Building evidence on the effectiveness and impact of place-based policies**. These policies are very heterogeneous across geography both in terms of their objectives and implementation, complicating the aggregation of results. Assessments need to encompass various dimensions, including economic outcomes, social welfare, environmental sustainability, institutional development and learning behaviour and the overall advancement of the targeted territories. Moreover, setting a clear ex ante definition of the aims and intended outcomes accompanied by appropriate indicators, is challenging. Common place-based objectives, such as integration, governance, coordination, wellbeing are not easily defined or related to specific targets.[16] Data-collection can be expensive, time-consuming and frustrating and the long timeframe of many place-based policies in terms of addressing local inefficiencies and contributing to development puts constraints on what can be known.[17]

- **Addressing asymmetries in administrative capacities**. Higher levels of government need the capacity to coordinate and monitor the efficient and correct use of public funds, balancing assurance of high-quality public spending with the flexibility to give lower levels the space to identify and articulate needs and design and implement measures. At the same time, local institutional contexts and the

[13] Beer A, McKenzie F, Blažek J, Sotarauta M and Ayres S (2020) Every Place Matters: Towards Effective Place Based Policies, Regional Studies Policy Impact Books, Taylor and Francis, Abingdon.
[14] UK National Audit Office (2023) Lessons learned: How to deliver effective regulation locally, Session 2022-23 26 May 2023.
[15] OECD (2020) *OECD Environmental Performance Reviews: Greece 2020*, OECD Environmental Performance Reviews, OECD Publishing, Paris
[16] Bachtler J (2010) Place-based policy and regional development in Europe. Horizons, 10(44), 54-58.
[17] Nathan M (2023) "Things We Don't Want to Know? Monitoring and evaluating place-based policies", Background paper for the OECD-EC High-Level Expert Workshop Series on "Place-Based Policies for the Future", Workshop 4, 7 July 2023

quality of local government varies across territories, and this has an impact on the design, delivery and effectiveness of regional policies targeting territorial cohesion or development.[18] Moreover, partnering with local organisations and communities, gaining local knowledge, and building trust are vital for successful implementation of place-based policies but levels of trust and social capital vary across territorial contexts. Thus, an unintended outcome of place-based policies can be the generation or reinforcement of asymmetries in governance, with relatively limited forms of decentralisation in less developed territories where existing capacities and resources are limited.[19]

3.2. TDMs as place-based instruments

It was against this theoretical and conceptual background that CP TDMs were launched in 2014-20. Integrated territorial development was one of the innovative elements of the 2013 reform of CP, emphasising the benefits of place-based responses to complex development challenges. The publication of the Barca Report for reform of CP in 2009 argued for a strengthened focus on place-based interventions as means to respond to persistent territorial inequalities by addressing place-specific market inefficiencies and mobilising endogenous potentials. It highlighted the importance of policies that exhibit the three organising principles emphasised in the place-based concept: the use of territorial development strategies to identify local needs and potentials, the provision of different mixes of investment according to territorial specificities; and multi-level governance structures for management and implementation (Box 1).

Box 1: The place-based concept in the Barca Report

According to the Barca Report, a place-based development policy can be defined as:

- **a long-term development strategy** whose objective is to reduce persistent inefficiency… 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
- promoted from outside the place by **a system of multilevel governance** where grants subject to conditionalities on both objectives and institutions are transferred from higher to lower levels of government.

Source: Barca, F. (2009) *An Agenda for a reformed Cohesion policy – A place-based approach to meeting European Union challenges and expectations*, p.5.

The new regulatory provisions for European Structural and Investment Funds (ESIF) in 2014-20, followed this lead with the formalisation of territorial cohesion as an objective for the EU in the Treaty on the Functioning of the EU (TFEU) and a recognition in the Territorial Agenda of the European Union. New challenges (globalisation, climate change, energy security, social vulnerability and environmental vulnerability) required a more territorially specific and integrated mix of interventions in order to increase their impact and to exploit fully the development potential of different types of territories.

[18] Glückler J and Lenz R (2016) 'How institutions moderate the effectiveness of regional policy: A framework and research agenda'. Investigaciones Regionales: Journal of Regional Research, 36, 255-277.

[19] O'Brien P and Pike A (2015) City Deals, Decentralisation and the Governance of Local Infrastructure Funding and Financing in the UK. National Institute Economic Review, 233(1), R14-R26.

A set of new territorial instruments was launched, including a particular focus on SUD to strengthen the resilience of cities. Integrated territorial development could then be implemented in several ways through CP, with a set of instruments supporting place-based principles in terms of strategic territorial orientation, functionally integrated investment and governance models. The regulations defined six types of instruments under the "territorial delivery mechanism" dimension:

- 01: Integrated Territorial Investment (ITI) — Urban
- 02: Other integrated approaches to sustainable urban development (Priority or programme)
- 03: Integrated Territorial Investment — Other
- 04: Other integrated approaches to sustainable rural development
- 05: Other integrated approaches to sustainable urban/rural development
- 06: Community-led Local Development (CLLD) initiatives

Five different types of territorial development mechanisms (TDMs) are covered in this study. They fall under four codes, as set out in Table 3 which indicates their legal bases and the acronym used throughout the study.

Table 3: Integrated territorial development instruments

Code	Instrument	Legal basis	Acronym
1	Integrated Territorial Investment (urban) Use of ITIs for implementation of the 5% of the national ERDF allocation that must be allocated for integrated and sustainable urban development strategies (SUD).	Art. 36 CPR Art. 7 ERDF	SUD ITI
2	Other integrated approach to SUD Use of implementation of the 5% of the national ERDF allocation that must be allocated for integrated and sustainable urban development strategies through either: • dedicated Priority Axes in Operational Programmes or • dedicated Operational Programmes.	Art. 7 ERDF	SUD PrAx SUD OP
3	Integrated Territorial Investment (other) Use of ITIs outside of the 5% SUD ERDF earmarking.	Art. 36 CPR	Non-SUD ITI
6	Community-led Local Development Single tool for local initiatives funded by up to four ESI Funds (ERDF, ESF, EAFRD, EMFF).	Art. 32-25 CPR	CLLD

Within this, two policy frameworks were newly introduced in 2014-20:

- **ITIs were a new means to deliver CP in a territorially integrated way in order to increase its effectiveness.** ITIs allow MS to combine funding from several Priority Axes from one or several OPs, funded by either ERDF, ESF or CF, and complemented by EAFRD where applicable. The aim is to deliver multi-dimensional and cross-sectoral interventions. The key elements of an ITI are a designated territory, an integrated development strategy and a package of actions to be implemented. The territory of an ITI can be any geographical area (urban, urban-rural, sub-regional, inter-regional or cross-border). CP MAs have the final responsibility for ITIs. However, local authorities or regional development bodies, either pre-existing or specifically created, may be appointed as Intermediate Bodies (IBs) to carry out delegated tasks.

- **Community-led Local Development (CLLD) is a bottom-up instrument for local initiatives**. CLLD can be funded by up to four ESI Funds (ERDF, ESF, EAFRD, EMFF). CLLD built on the LEADER approach to rural development, in which Local Action Groups (LAGs) provide bottom-up leadership for local development. While the use of LEADER, funded by EAFRD, is compulsory for all MS, the use of other Funds, including CP Funds, is voluntary. LAGs operate on the local level (subregional areas) which can be a rural or urban context, and with no majority of any interest group. Specifically, public actors should not have the majority of the decision-making powers. CLLD is based on integrated multi-sectoral local strategies, with innovative features and cooperation, including social innovation aims.

The regulatory framework around territorial instruments contained both voluntary and compulsory elements. The use of any specific territorial instrument was voluntary. However, the allocation of a minimum of 5% ERDF funding for SUD was compulsory. Article 7 of the ERDF regulation required this minimum threshold to be fulfilled at MS level. The regulations offered three ways to meet the obligation: the 5% of ERDF funding could be implemented via

- a specific urban OP (SUD OP);
- a dedicated Priority Axis (SUD PrAx) in a specific OP; or
- the new framework of Integrated Territorial Instrument (ITI).

These TDMs displayed the key organising principles of place-based approaches: the territorial orientation, the emphasis on integrated investments and multi-level governance systems. Common to all these instruments was the requirement to operate on the basis of an integrated strategy. The strategy could be an existing one or developed specifically. These were to support integrated bundles of CP investment. They also had to involve territorial actors in delivery. Where the instrument implemented earmarked SUD funding under ERDF Article 7 (via an SUD ITI, SUD OP or SUD PrAx,) implementation responsibilities had to be formally delegated via the designation of a dedicated IB at the appropriate territorial level. The minimum role of IBs was to be responsible for tasks relating to the selection of operations.

Within this, TDM types differed according to a series of regulatory features and implementation characteristics, notably in relation to the contribution to Article 7 ERDF SUD earmarking, territorial-level management body, territorial character, territorial types, municipal configuration, funding per instrument, integration of Funds at instrument level, programme architecture of funding sources and character of strategies (Table 4). Only SUD ITI, SUD PrAx and SUD OP contributed to Article 7 ERDF earmarking and only these TDMs required the delegation of programme management tasks to the territorial level. Accordingly, also only these three TDMs were always implemented in urban areas, while non-SUD ITI and CLLD could also be found in rural or mixed territories.

Table 4: Features of different TDMs

	SUD ITI	Non-SUD ITI	SUD PrAx	SUD OP	CLLD
Contribution to Art. 7 ERDF SUD earmarking	Yes	No	Yes	Yes	No
Territorial-level management body	Obligatory IB	Voluntary IB	Obligatory IB	MA	LAG
Territorial character	Urban	Mostly rural or mixed, but can be urban	Urban	Urban	Rural or small-scale urban
Territorial types	FUA	FUA	FUA	FUA	-
	City/town	-	City/town	-	-
	Area within city/town	-	Area within city/town	-	Area within city/town
		Rural/polycentric	-	-	Rural/polycentric
Municipal configuration	Typically multiple municipalities, but can be only one	More than one municipality	Can be one or more municipalities	Can be one or more municipalities	More than one municipality
Funding per instrument	Typically high	Wide range	Wide range	High	Low
Integration of Funds at instrument level	Limited	Limited	Limited	Limited	High
Programme architecture of funding sources	Single or multiple OPs	Single or multiple OPs	Single OP	Single OP	Multiple OPs (mostly)
Character of strategies	Not necessarily specific to TDM	Not necessarily specific to TDM	Not necessarily specific to TDM	Specific to TDM	Specific to TDM

Source: compiled by research team

It is also important to note that the three sets of challenges facing place-based policies, outlined above, were evident for TDMs as CP instruments in 2014-20.

TDMs faced challenges concerning regulatory complexity. They were introduced at a time when the need for simplification in the management and control of CP had become a central topic of debate. There have been perennial concerns about CP regulatory complexity and although simplification measures have been introduced, actors involved in the delivery of programmes perceived the regulatory burden as having increased, rather than reduced, over time.[20] Against this background, the introduction of TDMs posed challenges:

- **First, the use of TDMs entailed that programme authorities had to meet additional regulatory requirements**. This referred particularly but not exclusively to strategies under ERDF Article 7, which sometimes created difficulties for programme authorities and urban authorities in 2014-20 in the designation of implementing bodies and adaptation of financial management and control systems.
- **Second, the implementation of the TDMs was itself challenged by broader CP regulations.** The ambition of TDMs to integrate funds (especially ERDF and ESF) had to address their separate regulatory frameworks. Reconciling territorial integration with the requirement for thematic concentration in 2014-20 also had implications for TDM implementation. Both ERDF and ESF include an article on thematic concentration on specific TOs (article 4 ERDF and article 4 ESF). Particularly in some MDR, the thematic concentration requirement (including a focus on low-carbon agenda) meant constrained strategic flexibility and multi-sectoral integration for territorial strategies.
- **Finally, some of the options considered for CP simplification in 2014-20 were difficult to reconcile with TDM objectives to open CP up to new local stakeholders**. (e.g. introducing differentiated regulatory requirements which eased the burden on reliable or strong administrations or pushing MS to implement fewer, larger programmes as a way to streamline administration).

TDMs also had to respond to the challenge of evidence-based policymaking. The difficulties encountered in assessing the performance of place-based policies applied to TDMs at time when evidence-based policymaking was becoming more prominent in CP.[21] In 2014-20, there was increased focus on the results-orientation of CP programmes. MS were required to make stronger efforts to design programmes according to a logical framework with a 'clearer articulation of the policy objectives, more emphasis on monitoring system within an overall performance framework that assessed performance against a set of output and result indicators. Moreover, programme authorities were required to implement a series of evaluations set out in evaluation plans, with increasing emphasis on assessments of impact alongside implementation evaluations. This results-orientation posed substantial challenges for TDMs:

- Covering both the sectoral and territorial dimensions, capturing different geographies, and disaggregating the results of the TDM strategy from the results of the programmes that supported them.

[20] ECA (2018) *Simplification in post-2020 delivery of Cohesion Policy*, Briefing Paper May 2018.
[21] Polverari L (2015) 'The Monitoring and Evaluation of 2014-20 EU Cohesion Policy Programmes'. *IQ-Net Thematic Paper*, Vol 36, No 2. European Policies Research Centre, University of Strathclyde, Glasgow.

- Measuring potentially crucial but less tangible and longer-term results of TDMs, such as the effects of integrated investments, the encouragement of new cooperative approaches across partners etc.[22]

TDM governance also had to take into account varied levels of CP administrative capacity. The importance attached to multi-level governance and the increased role of local stakeholders in TDMs must be seen in the context of growing research and evaluation evidence that institutional and administrative factors, particularly the quality and capacity of public administration, are important explanatory variables in the performance of CP.[23] A basic assumption behind the use of territorial instruments is that they will provide an incentive for greater involvement of local actors, boosting capacity to manage CP investment and steer development in the longer term. However, there are risks:

- Establishing new territorial strategies, developing priorities and operations that translated local knowledge into investments involved transaction costs that required resources and capacity. Studies have found that CP absorption levels correlate positively with government capacity and that strained capacities equate with less effective use of Funds.[24] Thus, there was a risk that the administrative pressures entailed by establishing these new instruments would have an impact on timely spending.
- Variation in capacity has often been related to the size and experience of municipalities to whom tasks were delegated, an important consideration for TDMs seeking to extend the range of local actors involved in CP. Studies have found that large municipalities had the necessary administrative resources to manage complex administrative responsibilities. In this context, there was a risk that larger, more experienced administrations would be better positioned to benefit from TDMs, consolidating inequalities in local governance capacities, contrary to place-based objectives.[25]
- Capacity challenges also related to the potential for mobilising TDM stakeholders from outside of public administration in territories where civil society traditions and levels of social capital were limited.[26]

Thus a basic question for this study is whether CP-funded TDMs have been able to achieve the potential benefits offered by place-based policies? Specifically:

- Have they achieved their ambitions to unlock strategic territorial knowledge to inform CP implementation?
- Have they succeeded in integrating investment in cross-cutting territorial issues viewed beyond single sectoral or institutional boundaries?
- Have they introduced or strengthened CP governance arrangements to create greater opportunities for local participation and 'ownership of the policy'?

[22] Pertoldi M, Fioretti C, Guzzo F, Testori G, De Bruijn M, Ferry M, Kah S, Servillo L.A and Windisch S, *Handbook of Territorial and Local Development Strategies,* Pertoldi M, Fioretti C, Guzzo F and Testori G (editors), Publications Office of the European Union, Luxembourg, 2022.

[23] Bachtler J et al (2016) Administrative capacity building and EU Cohesion Policy, Outline of Methodology, Inception Report to the European Parliament, EPRC; Terracciano B and Graziano P R (2016) EU Cohesion Policy Implementation and Administrative Capacities: Insights from Italian Regions. Regional & Federal Studies, 26(3), 293-320.

[24] Terracciano B and Graziano P R (2016) *op. cit.*

[25] European Parliament (2016) *Report on future perspectives for Technical Assistance in Cohesion Policy* (2016/2303(INI)); Committee on Regional Development; Tosics I (2017) 'Integrated territorial investment: A missed opportunity?' in Bachtler J, Berkowitz P, Hardy S and Muravska T; EU Cohesion Policy: Reassessing performance and direction, Routledge: London.

[26] URBACT (2019) *Reflections on citizen participation in Europe's cities*, Lisbon City Lab, January 2019.

- In all of this, to what extent have the challenges of regulatory complexity, administrative capacity and measurability been overcome?

Bearing these questions in mind, the following section presents an overview of TDM implementation across MS and identifies a number of patterns.

3.3. The use and patterns of TDMs

In 2014-20, the EU28 implemented 1,971 TDMs co-funded by CP (Table 5). **The distribution of territorial strategies across MS reflects different mixes of TDM types and decisions on their financial and territorial scale.** The overall number of territorial strategies ranges from just one in FI, LU and MT to over 200 in PT (209) and FR (248).[27]

Table 5: Territorial instruments implemented in 2014-20

	SUD ITI	SUD PrAx	SUD OP	Non-SUD ITI	CLLD	Total
Austria		17			8	25
Belgium		8	1	3		12
Bulgaria		39			39	78
Cyprus		4				4
Croatia	8					8
Czechia	7		1		178	186
Denmark		8				8
Estonia		5				5
Finland	1					1
France	77	151		20		248
Germany		103		8	23	134
Greece	39			15	16	70
Hungary		22			98	120
Ireland		20				20
Italy	20	112	14	26	23	195
Latvia	9					9
Lithuania	5			10	39	54
Luxembourg	1					1
Malta		1				1
Netherlands	4				1	5
Poland	24			6	39	69
Portugal		105		22	82	209
Romania		39		1	37	77

[27] These figures also include a limited number of territorial strategies funded exclusively from ESF.

Slovakia	8			8	110	126
Slovenia	11				37	48
Spain		173		6		179
Sweden	1	1	1		42	45
United Kingdom	9			2	23	34
Total	**224**	**808**	**17**	**127**	**795**	**1,971**

Source: STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en

The most widely used TDMs in terms of number of strategies were SUD PrAx (808) and CLLD (795). As Table 6 shows, these were also the TDMs used by the highest number of MS (16), shortly followed by SUD ITI (15). 12 MS used non-SUD ITI, while only four MS implemented dedicated SUD OPs.

Table 6: Take-up of TDMs by MS and number of strategies

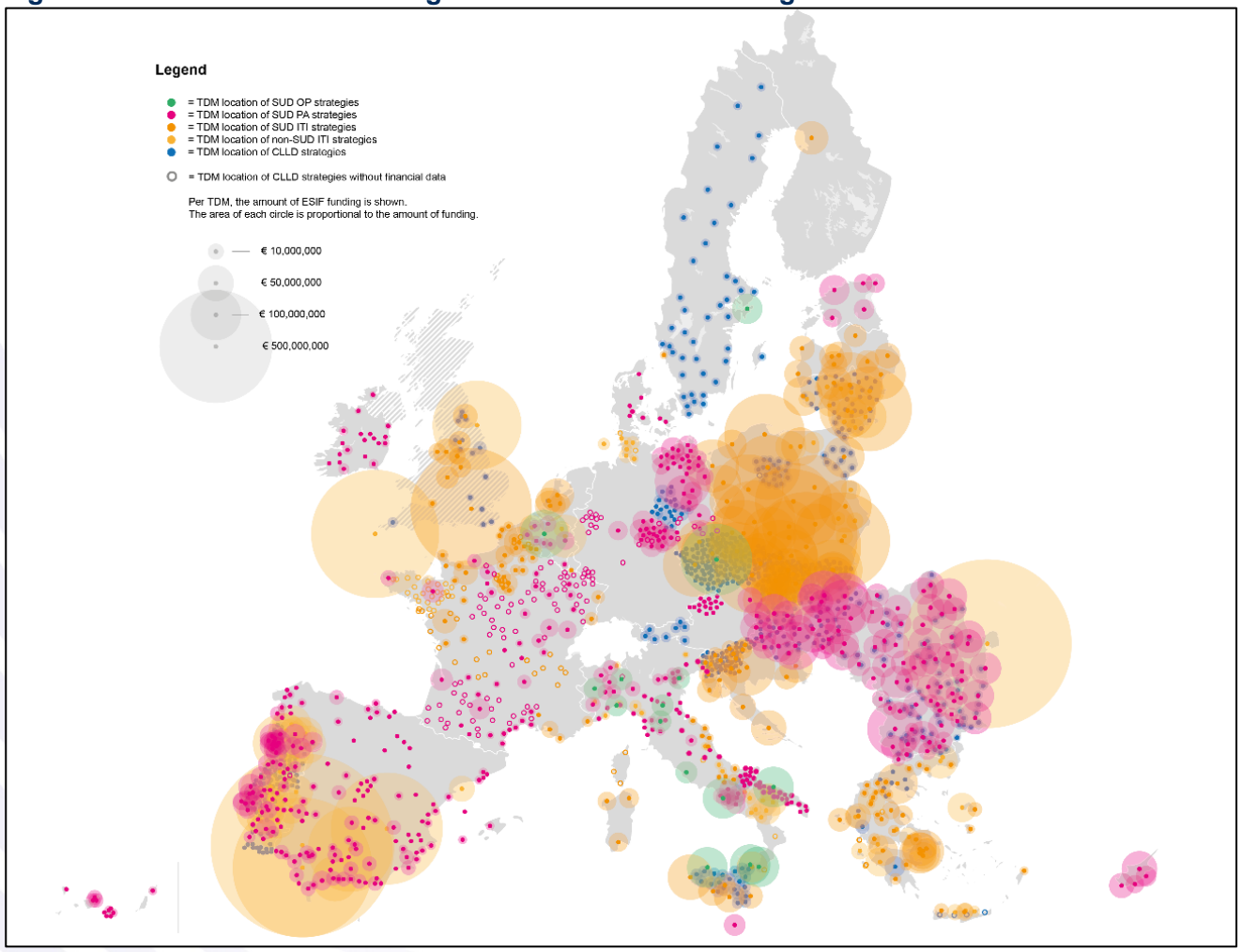
	SUD ITI	SUD PrAx	SUD OP	Non-SUD ITI	CLLD	Total
Number of MS	15	16	4	12	16	-
Total number of strategies	224	808	17	127	795	1,971

Source: JRC STRAT-Board and own elaboration.

It is important to map out the location of TDM strategies, which allows identifying any parts of the EU with a higher or lower concentration of TDMs. The map in

Figure 1 does not only show the location of TDM strategies, but also the associated funding. It emphasises the high relevance of TDMs in some countries, especially in Central and Eastern Europe, both in terms of number of strategies and funding dedicated to individual strategies.

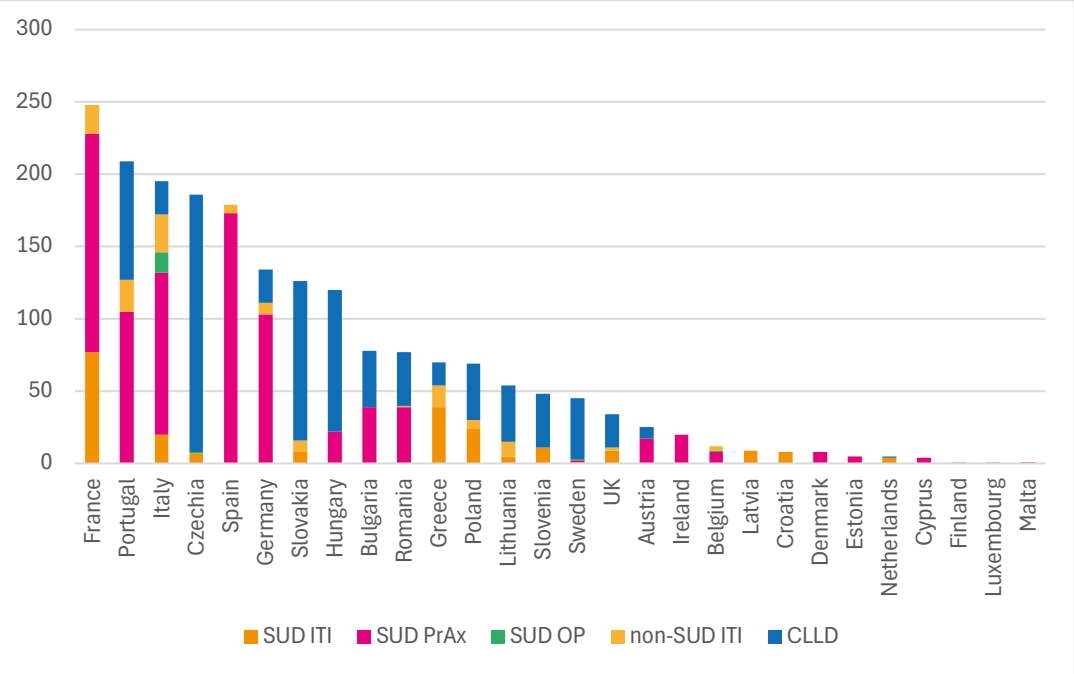
Figure 1: Location of TDM strategies and associated funding



Source: map prepared by Niek Lurling, TU Delft, based on STRAT-Board and Cohesion Open Data.
Note: map does not include TDMs in the outermost territories of La Reunion, Mayotte, French Guiana, Guadeloupe and Martinique. The map reflects minor discrepancies from STRAT-Board data that should be revised.

TDM were used in all MS in 2014-20, not least due to the ERDF Article 7 requirements. However, this was done to varying extent and using different approaches (Figure 2). Many MS opted to only implement a small number of TDMs, e.g. MT, LU, CY, NL, FI, EE, DK, HR, LV, which all had less than ten TDM strategies. Most of this group of countries are relatively small, and several, such as NL, FI and DK, had comparatively limited CP allocations. In these cases, decisions on the use of TDMs had to consider the relatively limited associated funding. In contrast, FR, PT, IT, CZ, ES, DE, SK and HU all implemented over 100 TDM strategies. These countries had relatively larger levels of CP funding available and geographic and population size were also considerations in the use of TDMs. Other factors such as regional/local governance systems, and levels of administrative capacity at sub-national tiers could also be important variables in this context (several of these cases have regionalised or decentralised administrations) but causal relations between MS governance system and TDM use are not possible to demonstrate.

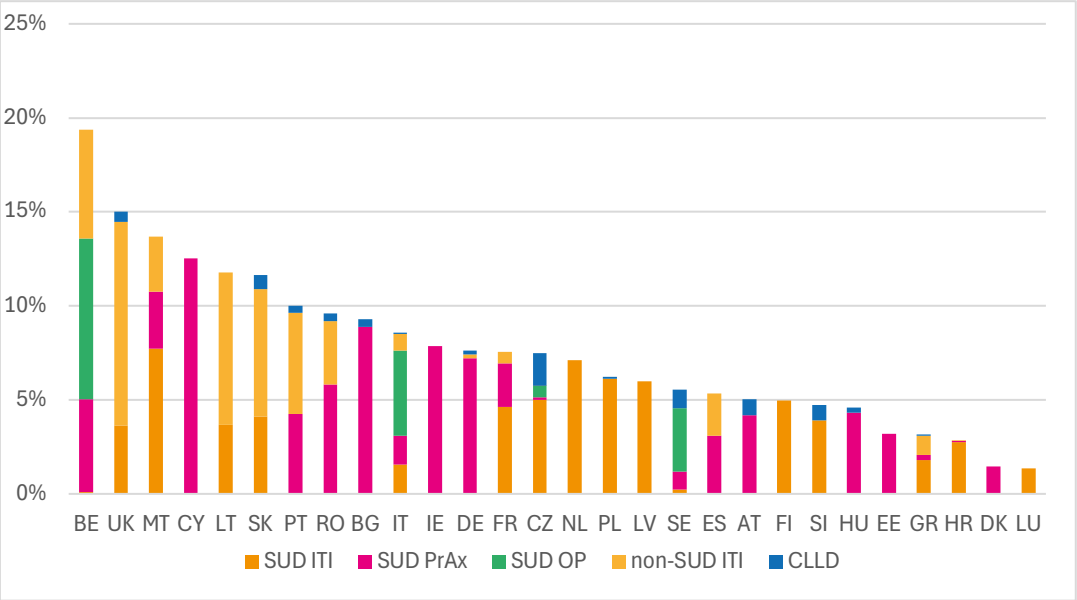
Figure 2: Distribution of territorial strategies by TDMs in MS



Note: include a limited number of strategies not using ERDF/CF, such as 39 CLLD cases in Lithuania.
Source: STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en

The level and distribution of CP funding across TDM types reflected the strategic choices and variation in the types of territories and development needs targeted across regions and MS. **This resulted in substantial differences in the level of EU funding dedicated to TDMs across MS** (Figure 3). In terms of the share of total ERDF/CF funds that each country dedicated to TDMs (at the end of 2022), the highest levels were found in BE (19%), UK (15%) and MT (14%). Much lower levels of eligible ERDF/CF funding were allocated to projects using TDMs in LU and DK (only 1%) and EE, EL and HR (around 3%). Looking at individual TDMs, the highest share of funding dedicated to SUD ITI was found in MT (12.6%), to SUD OP in BE (8.6%), to SUD PrAx in MT (23.7%), to non-SUD ITI in SK and UK (10.8%) and to CLLD in CZ (2.5%).

Figure 3: The share of ERDF/CF funding allocated to projects to TDM types by MS (% of all eligible ERDF/CF costs under OPs)

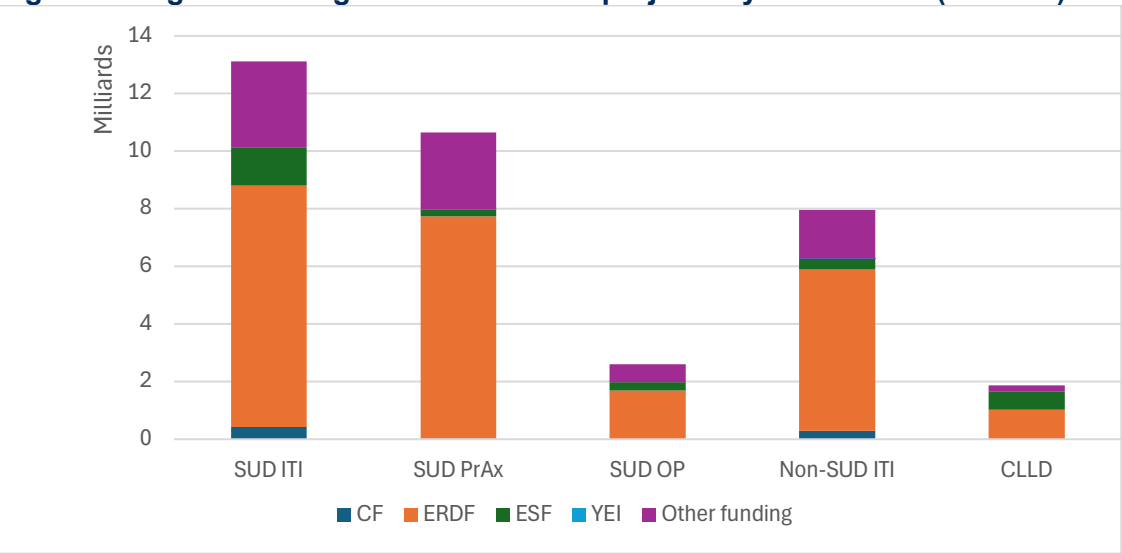


Source: Cohesion Open Data, 2014-20 categorisation dataset, variable "EU_Eligible_Costs_Decided" (Reference date: 31/12/2022). Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

About two thirds of the ERDF/CF funding for TDMs went to SUD ITIs and SUD PrAx. Based on data from the Open Cohesion Database, by the end of 2022, ERDF and CF allocations to projects under different TDMs reached over €25.1 billion across the EU, or 7% of all distributed eligible ERDF and CF funding. Almost two-thirds of this funding was allocated to SUD ITI (35%) and SUD PrAx (31%), 23% to non-SUD ITI, 7% to SUD OP and 4% to CLLD. Almost 70% of all eligible ERDF and CF allocations under TDMs across the EU was accounted for by seven countries: PL, RO, IT, PT, ES, SK and CZ.

Looking at CP funding beyond ERDF/CF, the ESF was integrated with ERDF only to a limited extent in TDMs, with the exception of CLLD. Analysis of Open Cohesion Data shows that the share of ESF funding allocated to projects across all TDMs was 8% of eligible funding, with the highest share under CLLD strategies – around 30% (see Figure 4). For other TDMs, the ESF share was lower. It complemented ERDF/CF funding with over €2.8 billion, with the bulk of funding being allocated under SUD ITI projects in PL (over €1 billion). Also, over €0.9 million of YEI funding was allocated to non-SUD ITI in RO.

Figure 4: Eligible funding allocated to TDM projects by end of 2022 (€ billion)



Note: Other funding includes public co-funding from national, regional or local sources.
Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

Other funding sources contributed with 23% (or over €8.2 billion) of all eligible funding channelled to projects using TDMs, with the highest share of 25% being allocated to territorial strategies under SUD PrAx. In AT, BE, DK, FR, IE and SE, funding allocated to TDM project from other sources constitute 50% of all funding allocated under SUD PrAx strategies.

While the combination of TDM types varied across MS, it is worth noting that several MS focused ERDF/CF resources on one type of TDM only, while others implemented a wider range (see Table 7). Nine MS did not go beyond the compulsory requirements resulting from Article 7 ERDF, using only a single TDM to implement to implement SUD measures: CY, DK, EE, IE and MT used only SUD PrAx, while FI, LU, LV, and the NL allocated funding only through SUD ITI. Most MS (11) implemented three TDMs, while SE and IT made the most diverse use of the mechanisms offered. IT was the only country using all five possible TDMs. Where a wider variety of TDMs was used, no clear patterns of 'combinations' emerge that are widely used together, potentially with the exception of the use of a combination of SUD PrAx and CLLD reflecting an urban/rural coverage, e.g. AT, HU, BG.

The choice to implement a limited number of different TDM types clearly created less administrative complexity and, especially where financial or administrative resources were more limited, offered the potential to focus funding. At the start of the programme period, when Commission guidance still was limited, especially SUD PrAx was perceived by MS to come with fewer additional administrative requirements than, for instance, the yet unknown ITI mechanism. Still, for a number of MS, SUD ITI was the only TDM implemented (e.g. FI, LU, LV).

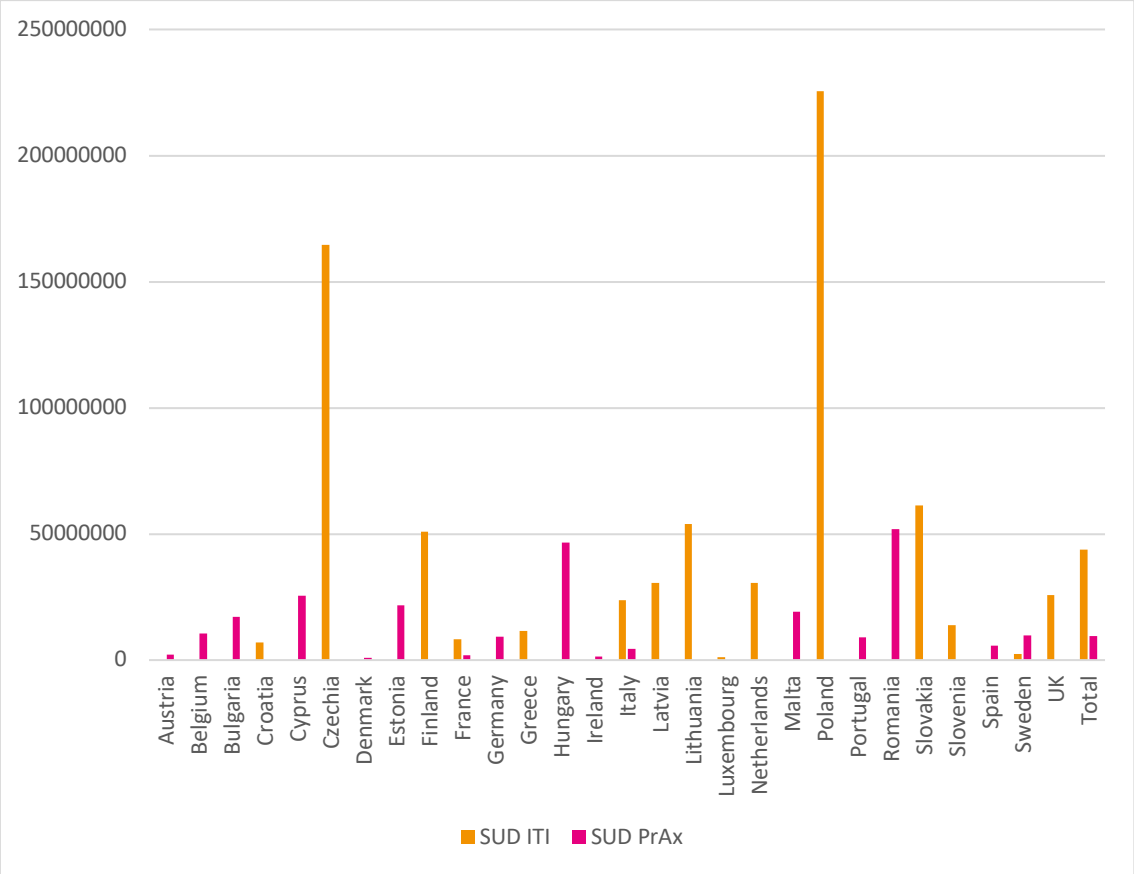
Table 7: Number of different TDMs used

Number of TDMs	1	2	3	4	5
MS	CY, DK, EE, FI, HR, IE, LU, LV, MT	AT, BG, ES, HU, NL	BE, CZ, DE, EL, FR, LT, PL, PT, RO, SK, UK	SE	IT

Source: own elaboration.

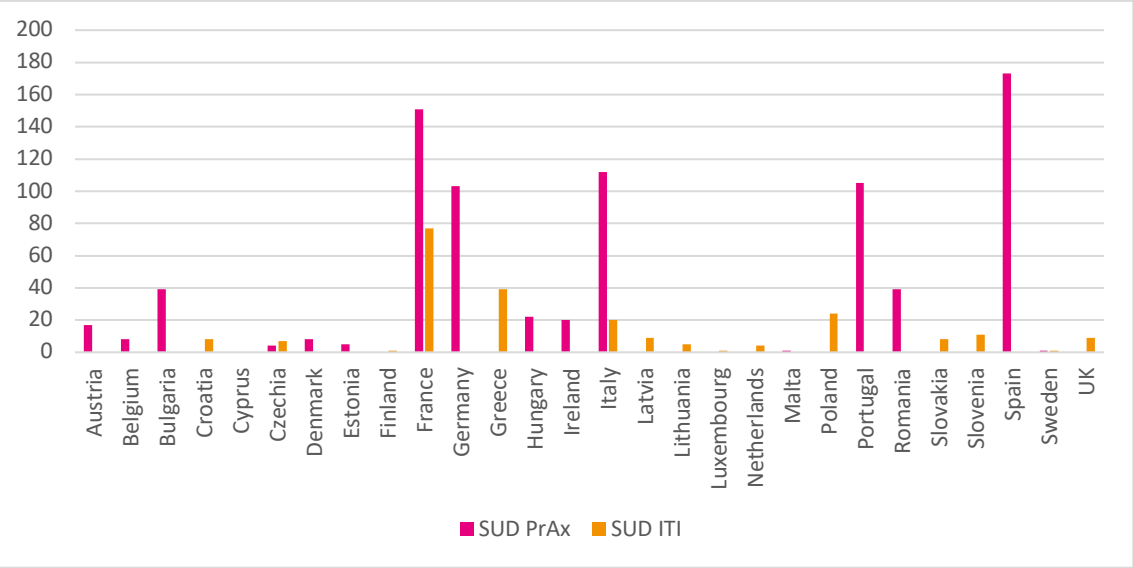
It is possible to differentiate between MS with a rather concentrated approach to TDM use, built around fewer, but well-funded strategies, and MS with a more fragmented approach, with a large number of strategies each with comparatively low funding. Taking the examples of commonly used TDMs to implement the compulsory ERDF urban development funding – SUD ITI and SUD PrAx – Figure 5 and Figure 6 identify different groups of countries. Table 8 provides an overview of these two groups of countries, showing cases with high average allocations to a limited number of strategies (PL, CZ, SK, LT, HU and RO) and cases with low average allocations to a high number of strategies (FR, DE, PT, IT, ES, IE). The former situation can mostly be found for SUD ITI, while the latter was more prevalent for SUD PrAx. It has to be kept in mind that these are averages and there can be notable outliers to this, such as the case of the Berlin SUD PrAx in Germany, which has an allocation of €115 million.

Figure 5: Average contracted funding (€) by end of 2022 per SUD ITI and SUD PrAx



Source: own elaboration, based on STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en and Cohesion Open Data, 2014-20 categorisation.

Figure 6: Number of SUD ITI and SUD PrAx strategies



Source: own elaboration, based on STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en and Cohesion Open Data, 2014-20 categorisation.

Table 8: Concentrated versus fragmented models of SUD ITI and PrAx implementation

MS	TDM	Strategies	Average ERDF/CF funding (€)
High average allocations to a limited number of strategies			
Poland	SUD ITI	23	243,372,926
Czechia	SUD ITI	7	161,602,672
Slovakia	SUD ITI	8	57,456,197
Lithuania	SUD ITI	5	55,126,630
Romania	SUD PrAx	39	51,818,105
Hungary	SUD PrAx	22	46,631,360
Low average allocations to a high number of strategies			
France	SUD ITI	77	9,925,953
	SUD PrAx	151	2,478,623
Germany	SUD PrAx	103	9,607,361
Portugal	SUD PrAx	105	9,203,841
Spain	SUD PrAx	173	6,342,999
Italy	SUD PrAx	112	4,285,952
Ireland	SUD PrAx	20	1,237,162

Source: own elaboration.

It is challenging to identify common motivations for MS decisions on whether to concentrate or disperse funding across SUD strategies. The reasons of the variety in take-up of TDM types, the related number of strategies and the amount of funding dedicated to them were diverse. There is a need to consider different traditions and starting points in place-based and integrated policymaking, different settlement patterns

and differing policy cultures in terms of delegation and cooperation, and the extent to which TDM can build on existing practice or are entirely new. Also, there needs to be a recognition of the variable responses to seemingly similar conditions.

However, governance context appears to have played a part. On the one hand, some of the MS that chose to concentrate funding on a small number of large SUD ITI strategies have used TDMs as part of broader processes to strengthen policy governance at local or metropolitan levels (especially Czechia and Poland). On the other hand, dispersed approaches are evident where their strategies have mapped on to existing domestic frameworks that already operated in a way similar to CP-based TDMs (e.g. AT, DE, DK, IE). Thus, for some MS SUD ITI was a means to capitalise on and boost existing local development capacities. In other cases, SUD ITIs could be a means to mobilise and build local capacity, starting from a lower base. Equally, not taking up SUD ITI could be symptomatic of a lack of capacity and resources at local level, or a reflection of confidence that robust systems for local participation and engagement were already established.

Another important dimension to consider is the diversity within countries. Several MS implemented a diversity of models in different parts of the country. Decentralised or regionalised countries, especially in terms of their CP architecture, implemented a flexible mix of diverse approaches in different regions or federal states (e.g. DE, FR, ES, SE); sometimes this manifested itself especially in terms of the use of CLLD (e.g. AT, DE, IT, PL, UK). In centralised countries or in those with a dominance of national OPs, there was often a single approach to TDMs implemented in a standardised way across the entire country. This is not evident only in smaller MS (EE, LV, LT, IE), but also in some of the medium-sized or larger ones (CZ, HU, RO, SK).

The diversity of TDM implementation approaches makes it challenging to define typologies that could be used as a framework for detailed analysis. However, a broad categorisation of MS with similar characteristics can be identified:

- MS with limited allocations and limited mix (if any) of TDMs and a small number of strategies, e.g. FI, LU, MT (each of them using only one TDM and with only one strategy), but also CY, DK, EE, LV and NL.
- MS with substantial allocations, a mix of TDMs and a relatively small number of territorial strategies, e.g. PL and RO.
- MS with a relatively large number of smaller territorial strategies under different TDMs, covering a range of territories and including strategies for individual municipalities, e.g. BG, CZ, FR, DE, HU, IT, PT, SI and ES.
- Other MS with a medium level of allocations using a mix of TDMs to implement a moderate number of territorial strategies, e.g. BE, EL, IE, LT, SE, SK.

The following sections set out key aspects of the use of each type of TDM across MS.

3.3.1. SUD ITI

There were 224 SUD ITI territorial strategies in 2014-20 across 15 MS (Table 9). Typically, countries adopted less than ten SUD ITI strategies. However, some MS implemented a larger number of strategies. In some cases, these were smaller in terms of funding and territory (e.g. FR). In other cases, the SUD ITIs received significant funding and were implemented across the entire country (e.g. PL). In some countries, SUD ITI were the only type of TDM used (FI, HR, LU, LV). In Finland and Luxembourg, the single TDM implemented in 2014-20 was an SUD ITI.

Table 9: Number of SUD ITI strategies and contracted funding by end of 2023

MS	No.	CF	ERDF	ESF	Total CP	Average CP funding per strategy
CZ	7	352,098,699	757,542,058	21,577,946	1,131,218,703	161,602,672
FI	1		50,762,375	139,607	50,901,982	50,901,982
FR	77		727,199,273	37,099,126	764,298,399	9,925,953
EL	39		311,192,183	50,555,239	361,747,422	9,275,575
HR	8	56,235,077	242,927,761	18,262,577	317,425,415	39,678,177
IT	20		433,081,831	1,460,857	434,542,688	21,727,134
LV	9		274,692,040		274,692,040	30,521,338
LT	5		275,633,152		275,633,152	55,126,630
LU	1		1,222,561		1,222,561	1,222,561
NL	4		76,141,122	55,156,449	131,297,571	32,824,393
PL	24		4,635,128,425	1,205,821,799	5,840,950,224	243,372,926
SE	1		2,433,293		2,433,293	2,433,293
SK	8		459,649,579		459,649,579	57,456,197
SI	11	15,176,689	154,789,501		169,966,190	15,451,472
UK*	9		231,749,727		231,749,727	25,749,970
Total	**224**	**423,510,465**	**8,634,144,881**	**1,390,073,600**	**10,447,728,946**	**46,641,647**

Source: JRC STRAT-Board and Cohesion Open Data Platform. *Data for the UK are available only for 31/12/2022.

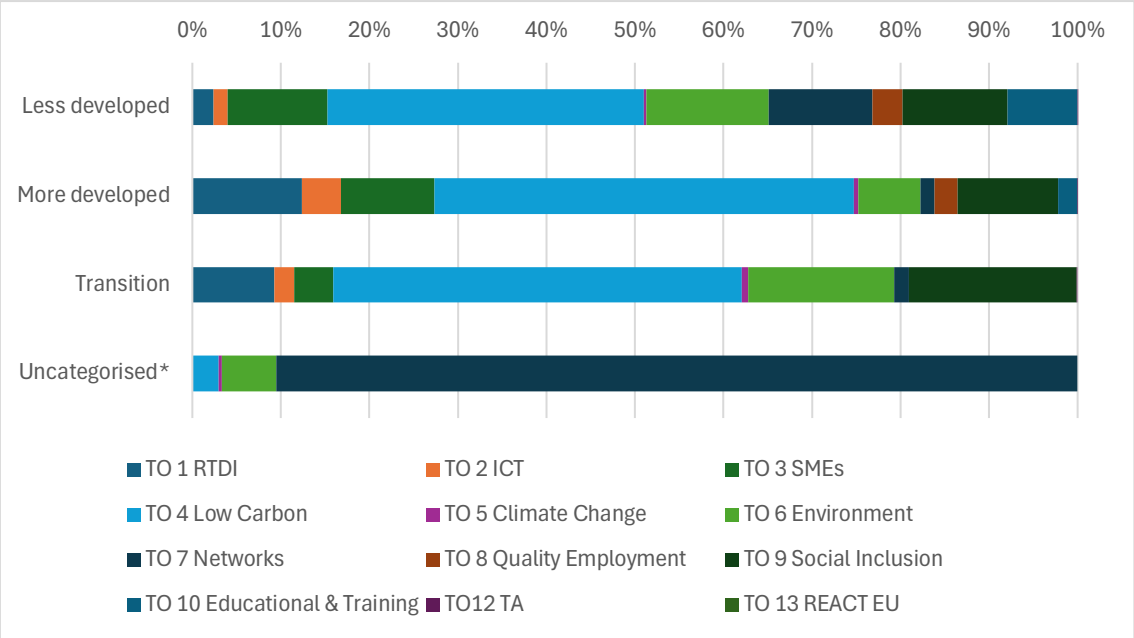
As TDM fall under Article 7 ERDF earmarking, SUD ITIs were always implemented in urban areas. The most prominent type of territory were FUAs (e.g. in CZ, HR, PL). FUAs also received the largest amount of funding. Other SUD ITIs focussed on individual cities or towns (e.g. LV, SI), others focused on selected districts in cities or towns (e.g. in FR, NL). An unusual configuration was noted in Finland, where the 6AIKA ITI involved six cities across the whole country. SUD ITIs had some of the largest population coverage, compared to other TDMs. Around one-third covered more than 250,000 inhabitants and several covered more than 1 million.

Based on Article 7 provisions, which require the delegation of implementation responsibilities to sub-national organisations, SUD ITIs were managed in a more decentralised way than other TDMs. Governance arrangements varied depending on the territorial focus of the strategy and the presence of pre-existing inter-municipal cooperation bodies. In some contexts, municipal governments acted as IBs (e.g. in NL). In other cases, management functions were delegated to formalised cooperation bodies within FUAs (e.g. in PL), associations of municipalities (e.g. in SI), or institutions set up specifically for the ITI strategy (e.g. in EL).

At MS level, the share of ERDF and CF funding dedicated to SUD ITI ranged from 0.2% in Sweden to 7.1% in the Netherlands. ESIF allocations to individual strategies were diverse, e.g. cases of just over €1 million, e.g. Dudelange (LU) and several French territories compared to the largest allocation which was €739 million for the SUD ITI for the Central Subregion in Silesia (PL). Most SUD ITI only used ERDF, however around one third used other Funds, most notably ESF.

The thematic focus of interventions under SUD ITI was similar to mainstream operations. Most investment focused on the low-carbon agenda, including sustainable multimodal urban mobility and climate mitigation-relevant adaptation measures (see Figure 7). Some SUD ITIs in FUAs concentrated resources on strengthening metropolitan governance and functional linkages across municipalities (e.g. in PL, CZ). In these cases, the development of integrated cross-municipal governance capacity was a key rationale for the strategies. SUD ITI strategies focusing on single cities tended to focus on improving connectivity and mobility, boosting competitiveness, and mitigating environmental degradation. Some SUD ITIs addressed specific parts of cities to tackle area or district-scale challenges in a place-tailored way and, in some instances, strongly targeting the needs of the local community (e.g. SE, NL). Generally, SUD ITIs covering larger territories addressed a larger number of different themes. Those with a smaller territorial scope tended to focus on a narrower set of thematic priorities linked to the specific needs of deprived urban areas (e.g. in Rotterdam).

Figure 7: Investment under SUD ITI by TO and category of region (% of contracted funding)



Note: Data does not include codes for outermost and northern sparsely populated and for REACT.
*Uncategorised investments constitute 4.5 per cent of all investment under SUD ITI and 31 percent of TO7 investment under SUD ITI.
Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

3.3.2. SUD PrAx

With 808 cases, SUD PrAx was the most widely used TDM in 2014-20, just ahead of CLLD (795 cases). Found in 16 MS, SUD PrAx is also the TDM used by the most

countries (Table 10). Five MS (ES, FR, IT, PT, DE) stand out with over 100 cases each, and in many smaller MS it is the only type of TDM used (CY, DK, EE, IE, MT) (Table 10).

Table 10: SUD PrAx instruments and contracted funding (€) by end of 2023

MS	No	ERDF	ESF	Total CP	Average CP funding per strategy
AT	17	35,960,487		35,960,487	2,115,323
BE	8	68,556,668	13,491,318	82,047,986	10,255,998
BG	39	689,051,005		689,051,005	17,667,974
CY	4	121,011,481		121,011,481	30,252,870
DE	103	958,082,773	31,475,418	989,558,191	9,607,361
DK	8	7,813,411		7,813,411	976,676
EE	5	107,498,766		107,498,766	21,499,753
ES	173	1,097,338,876		1,097,338,876	6,342,999
FR	151	373,893,311	378,730	374,272,041	2,478,623
HU	22	933,342,739	92,547,171	1,025,889,910	46,631,360
IE	20	24,743,240		24,743,240	1,237,162
IT	112	462,604,253	17,422,360	480,026,613	4,285,952
MT	1	19,604,434		19,604,434	19,604,434
PT	105	966,403,259		966,403,259	9,203,841
RO	39	2,020,906,081		2,020,906,081	51,818,105
SE	1	9,767,971		9,767,971	9,767,971
Total	**808**	**7,963,601,828**	**221,572,625**	**8,215,804,417**	**10,168,075**

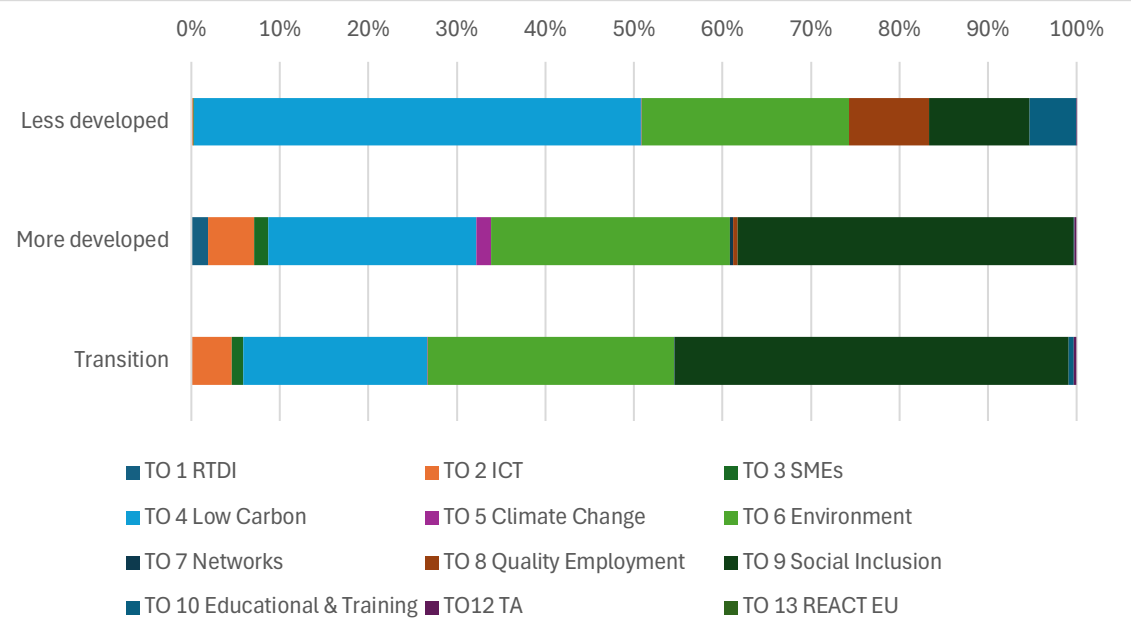
Source: JRC STRAT-Board and Cohesion Open Data

By definition, SUD PrAx were implemented in urban areas. These can be FUAs (e.g. in AT, FR), individual cities or towns (e.g. in BE, IE) or in areas within cities or towns (e.g. in DE, ES). There are also examples where SUD PrAx were used in polycentric contexts connecting a series of cities, e.g. in France. Generally, the territories covered were quite small, including FUAs which tended to be around smaller cities or towns. Related, population coverage was comparatively low, with over a third of the instruments covering less than 50,000 inhabitants and three quarters less than 250,000.

At MS level, the share of ERDF and CF funding dedicated to SUD PrAx ranged from 1% in Sweden Croatia to 23.7% in Cyprus. ESIF allocations to individual strategies were comparatively low, e.g. less than €100,000 in a number of cities in Thüringen (DE). However, there were also cases with allocations over €100 million, e.g. Sofia (BG) and Debrecen (HU). The vast majority of cases only made use of one fund (ERDF). Only a limited number also used ESF funding (e.g. in DE and HU), which shows that the integration of different funding sources at OP and strategy levels was a missed opportunity in most cases.

The most common investments under SUD PrAx were under TOs 4 (low-carbon economy), 9 (social inclusion) and 6 (environment). This pattern was reflected across all categories of regions, however those falling into the LDR category placed the strongest emphasis on TO 4 (Figure 8).

Figure 8: Investment under SUD PrAx by TO and category of region (% of contracted funding)



Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

3.3.3. SUD OP

There were only four SUD OPs, covering 17 territorial strategies, in 2014-20, (Table 11). Three of these – Brussels (BE), Prague (CZ) and Stockholm (SE) – were centred on the capital city of their respective country. Italy implemented an SUD OP with multiple territories, investing in 14 cities across the country. Brussels and Prague OPs only targeted the territory of the city. The territory of the Stockholm OP was the entire FUA beyond the boundaries of Stockholm itself. In Italy, the OP targeted the FUAs of 14 cities.

Table 11: SUD OP instruments and contracted funding (€) by end of 2023

	No.	ERDF	ESF	Total CP	Average CP funding per strategy
BE	1	120,687,701		120,687,701	120,687,701
CZ	1	140,528,153	46,427,645	186,955,798	186,955,798
IT	14	1,305,589,828	245,890,086	1,551,479,914	110,819,994
SE	1	34,642,239		34,642,239	34,642,239
Total	**17**	**1,601,447,921**	**292,317,731**	**1,893,765,652**	**111,397,980**

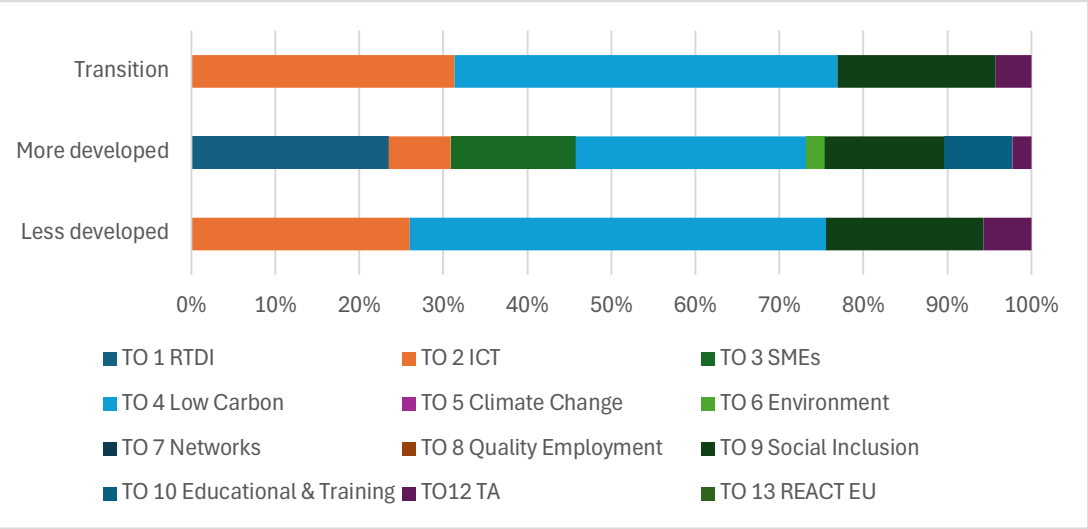
Source: JRC STRAT-Board and Cohesion Open Data

Three of the four SUD OPs are successors of OPs that were implemented in the same territory in 2007-13. Brussels OP, Stockholm OP and Prague OP were regional

ERDF OPs in previous programme periods. Only the Italian Metro OP was completely new. It was also the only multi-Fund programme (ERDF, ESF) dedicated to SUD in more than one city.

At MS level, the share of ERDF and CF funding dedicated to SUD OPs ranged from 0.9% in Czechia to 8.6% in Belgium. In absolute terms, the OPs had substantial funding ranging from €36 million in Stockholm to €539 million for the Metro OP in Italy. Brussels and Stockholm only used ERDF. Prague and Metro OP also used ESF funding. Allocations to TO4 "Low carbon", TO 2 "ICT" and TO9 "Social inclusion" prevailed in LDR and Transition regions. In MDR, the most important were TO4 "Low carbon agenda", TO1 "RTDI" and TO3 "SMEs. These differences demonstrate that investments under SUD OPs were channelled to address the most pressing local needs of the different regions (see Figure 9).

Figure 9: Investment under SUD OP by TO and category of region (% of contracted funding)



Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

3.3.4. Non-SUD ITI

With 127 cases in 12 MS, the number of non-SUD ITIs in 2014-20 was comparatively small (Table 12). This is partly due the voluntary nature of the instrument. Non-SUD ITIs were mainly used in Portugal, Lithuania, Greece Italy, Slovakia, and, to a lesser degree, also in Spain, Poland, Belgium, Germany, France, Romania and the United Kingdom (Table 12).

Table 12: Non-SUD ITIs and contracted funding (€) by end of 2023

MS	No.	CF	ERDF	ESF	Total CP	Average CP funding per strategy
BE	3		83,491,669	49,122,843	132,614,512	44,204,837
DE	8		26,015,829		26,015,829	3,251,979
ES	6		754,919,835	121,876,421	876,796,256	146,132,709
FR	20		109,017,276		109,043,595	5,452,180

EL	15		225,456,738	1,194,775	226,651,513	15,110,101
IT	26		240,273,089		240,275,133	9,241,351
LT	10	48,797,839	436,750,530	1,328,186	486,876,555	48,687,656
PL	6				Not available	Not available
PT	22	12,748,706	1,211,640,980	180,394,472	1,404,784,158	63,853,825
RO	1	46,402,802	1,085,645,796	19,942,004	1,252,906,219	1,252,906,219
SK	8		774,331,254		774,331,254	96,791,407
UK	2		690,617,902		690,617,902	345,308,951
Total	**127**	**207,949,347**	**5,638,160,898**	**373,858,701**	**6,220,912,926**	**48,983,566**

Note: Romania also allocated €915,617 of YEI funding to its Danube Delta non-SUD ITI. *Data for the UK are available only for 31/12/2022.
Source: JRC STRAT-Board and Cohesion Open Data

Non-SUD ITIs were not necessarily focused on urban areas. This TDM is versatile in its application to different territorial contexts and addresses various place-specific challenges and objectives. Non-SUD ITIs allowed this flexibility through their integrated approach, scope to address multiple challenges simultaneously by integrating various types of operations and funding sources, and territorial focus on specific geographical areas with resources concentrated to achieve more tangible impacts. Non-SUD ITI territories tend to be defined by functional areas rather than administrative boundaries. Thus, they cut across municipal borders, and many focused on peripheral and rural or less urbanised territories. The extent of these territories varied, from strategies for small rural territories (e.g. ITI in the region of Klaipeda in Lithuania covering 21,000 people) to vast territories covering millions of people (e.g. ITI Azul in Spain covering coastal areas with a population of 17.2 million). Most of the non-SUD ITI strategies covered rural areas (93%). However, some focused on urban areas within smaller and more peripheral regions (e.g. ITI Utena in Lithuania, ITI Porto in Portugal). The areas covered tended to be polycentric and, in many cases, corresponded to a particular feature or shared function, e.g. a delta (e.g. ITI Danube Delta in Romania), a specific coastal feature (e.g. ITI Mar Menor in Spain) or shared cultural heritage networks (e.g. ITI Epirus in Greece).

As non-SUD ITIs were not covered by Article 7 provisions, there was no formal requirement for the delegation of implementation responsibilities. This means that the MAs tended to play more prominent roles in the implementation of non-SUD ITIs. However, a range of local stakeholders was usually included in the formulation of the strategy and, sometimes, also in the selection of projects. In many cases, new coordination bodies were established at the functional area level to facilitate the engagement of local stakeholders in strategy-making and/or implementation and vertical coordination across levels. In contexts where institutions for decision-making and policy implementation already existed at the metropolitan or inter-municipal level, the formulation and implementation of the ITI strategies were delegated to those bodies.

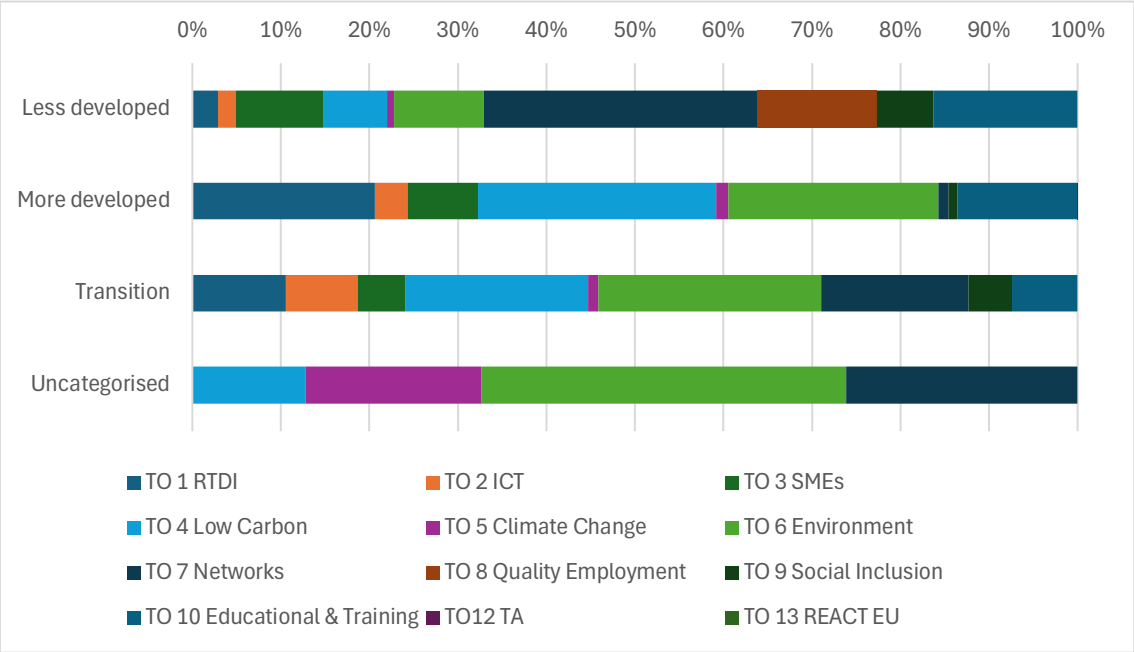
At MS level, the share of ERDF and CF funding dedicated to non-SUD ITIs varied greatly across MS, ranging from 0.2% of the allocation in Germany to 10.8% in the United Kingdom. The funding allocated to non-SUD ITIs tended to be larger than for some other TDMs, ranging from €925,000 (ITI Föhr in Schleswig-Holstein, DE) to €1.32

billion (ITI Azul, ES). Although a substantial share of non-SUD ITIs was financed through only one Fund (ERDF), most combined several ESIF, e.g. from two to five different Funds, allowing for integration of funding to support investment in specific functional areas.

Linked to the purpose of non-SUD ITIs to support the implementation of place-tailored development strategies, the investments are diverse in their thematic scope. The most prominent themes included investing in improving quality of life, access to public services and social infrastructures, development of support for SMEs, development of infrastructure (especially transport infrastructure), as well as cooperation across administrative boundaries in functional areas and engagement of local stakeholders.

Investments under non-SUD ITI show significant differences in thematic coverage according to the MDR/LDR/Transition categorisation. Non-SUD ITI strategies in LDR included a stronger focus on sustainable transport and removing bottlenecks in key network infrastructures under TO7, while in MDR and Transition regions, the main focus of the investment was on TO4 “Low carbon”, TO1 “RTDI” and TO6 “Environment (see Figure 10).

Figure 10: Investment under non-SUD ITI by TO and category of region (% of contracted funding)



Source: Cohesion Open Data, 2014-20 categorisation dataset. *Uncategorised investments constitute 5 percent of all investments under non-SUD ITI and 52 per cent of TO5 investments under non-SUD ITI. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

3.3.5. CLLD

There were 795 CLLD LAGs cases in 16 MS, only slightly less than SUD PrAx cases (Table 13). Some countries implemented a country-wide model (e.g. BG, CZ, SE). Others only covered selected regions and the related ESIF programmes funded CLLD (e.g. AT, DE, EL). As was the case with non-SUD ITI, the use of CLLD – beyond its obligatory element as EAFRD-funded LEADER – was voluntary.

Table 13: CLLD instruments and contracted funding (€) by end of 2023

MS	No.	ERDF	ESF	Total CP	Average CP funding per strategy
AT	8	7,813,716		7,813,716	976,715
BG	39	24,995,949	3,552,525	28,548,474	732,012
CZ	178	390,736,825	66,821,149	457,557,974	2,570,550
DE	23	26,581,476	6,125,322	32,706,798	1,422,035
EL	16	10,590,742	7,272,414	17,863,156	1,116,447
HU	98	62,412,665	29,395,240	91,807,905	936,815
IT	23	24,917,849		24,917,849	1,083,385
LT	39		24,744,738	24,744,738	634,480
NL	1	431,118		431,118	431,118
PL	39	77,402,225	90,646,385	168,048,610	4,308,939
PT	82	81,900,381	199,900,551	281,800,932	3,436,597
RO	37	105,953,821	165,868,644	271,822,465	7,346,553
SE	42	10,883,112	9,555,873	20,438,985	486,643
SK	110	86,041,006		86,041,006	782,191
SI	37	36,568,020		36,568,020	988,325
UK	23	34,619,993	191,774	34,811,767	1,513,555
Total	**795**	**981,848,898**	**604,074,615**	**1,585,923,513**	**1,994,872**

Note: Data for the UK are available only for 31/12/2022. No data on the contracted funding are available for the Netherlands for end 2023. Source: JRC STRAT-Board and Cohesion Open Data.

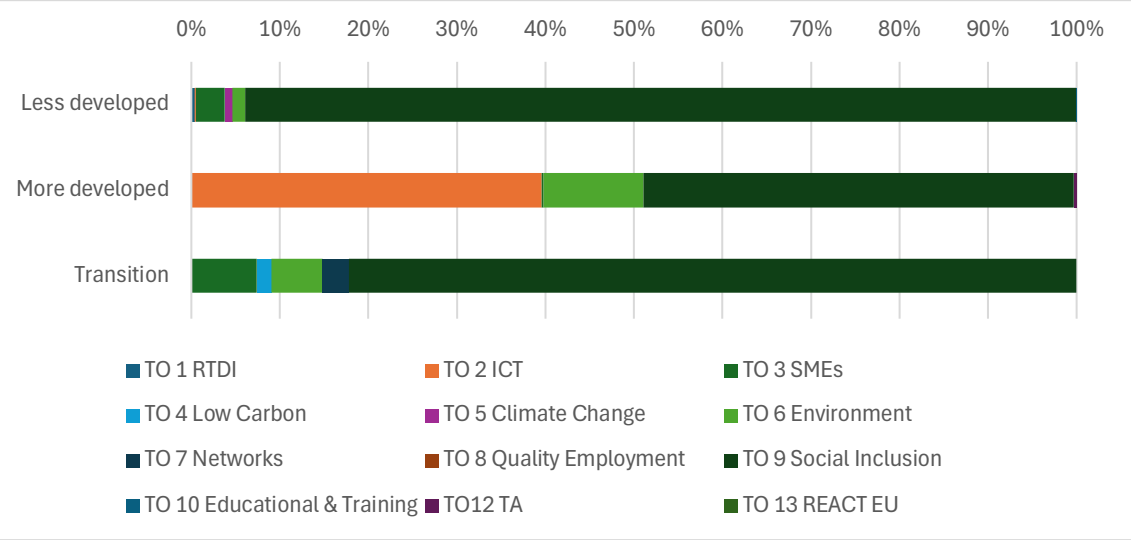
There are two types of CLLD LAGs: rural and urban. The vast majority of LAGs (574) were rural. These were exclusively LAGs that have been operating as LEADER LAGs for at least one previous programming period. However, seven countries decided to implement urban LAGs (HU, LT, NL, PL, PT, RO, UK).

At MS level, the share of ERDF and CF funding dedicated to CLLD was generally comparatively low, not least because of the comparatively small individual LAG budgets. Funding was typically below 1% of national allocations. The only exception was Czechia with 2.5%. The lowest individual CLLD LAG budgets were lower than €300,000 for some urban LAGs in Portugal and Lithuania. The largest were €15.2 million in Arkadia (Greece) and €11.8 million in Monti Dauni (Italy). Almost all CLLD LAGs combined different ESI Funds, especially rural LAGs that continued to make use of EAFRD as was the case in previous programme periods.[28]

[28] Kah S (2024) Multi-funded CLLD: Background paper and outcomes of workshop in Slovenia, report for the EU CAP Network, January 2024.

Support under CLLD was programmed under one specific investment priority but there was scope to address a range of themes. CLLD strategies had a clear focus on the promotion of social inclusion, fighting poverty and discrimination (TO9).[29] However, in MDR they showed a stronger focus on actions related to TO 2 "ICT" (see Figure 11).

Figure 11: Investment under CLLD by TO and category of region (% of contracted funding)



Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

4. Analysing the achievements of TDMs via causality pathways

4.1. From Theory of Change to Causality Pathways

The research aimed to construct a Theory of Change (ToC) in order to identify **the causal chain of events that leads from the implementation of a TDM to the desired outcome** and the assumptions, risks and external factors influence success. As place-based instruments, the ToC postulated that choices made by MAs and territorial authorities in TDM design and delivery can be explained by factors specific to the type of territory they are implemented in. This approach provided some valuable insights on causal linkages between TDM actions and outcomes. However, substantial methodological challenges limited the scope for the Theory of Change model per territorial category to explore interrelations among variables and outcomes in TDM implementation. Significant obstacles in this respect were:

- **Heterogeneity of objectives and actions across TDM strategies**. Creating a systematic ToC and unifying logic for TDM strategies that include a diverse and heterogeneous range of actions with very different purposes is extremely challenging.
- **Substantial territorial variation in factors that influence causality.** TDM strategies are implemented in place-specific settings where there is considerable

[29] EACE (2021) *op. cit.*

variation in the type and mix of contextual factors that can influence causalities as envisaged under the ToC approach.

- **Data limitations in assessing results and impact**. These relate to the limited utility of indicators selected for TDM strategies; challenges in obtaining sufficiently accurate, disaggregated data at local level; and, temporal issues related to the relatively short period of implementation given the long-term, integrated territorial impacts that are anticipated.

In order to address these methodological challenges, the ToC was revised and a set of 'causal pathways' was identified. Causality pathway analysis identifies components of the intervention and describes how these function to produce an intended outcome. It establishes the type of causal relationships between components and outcome and potential modifying factors that affect the causality pathway.[30] The aim was to facilitate understanding of how TDM strategies work, explore the processes by which they act to affect desired implementation outcomes and articulate factors that modify these processes. Drawing on the conceptual bases and the three sets of organising principles of place-based policies, highlighted in Section 3.1), it was possible to identify three major pathways of causality that each TDM strategy can take to reach the goal of supporting more effective territorial development. These are:

- Drafting and use of TDM strategies.
- A process of resource allocation supporting integrated investment.
- Use of a multi-level governance system including an active role for the local level.

Again drawing on the challenges to place-based policy described in Section 3, the research also categorised modifying factors that helped explain why anticipated outcomes were (or were not) achieved. These were applied to each of the identified pathways and related to regulatory frameworks and contextual conditions that were necessary for to establish TDMs or that moderated progress as the TDMs were implemented.

The following sections set out these pathways and their components, including modifying factors and assessment criteria. The aim is to identify and explore the processes by which strategies act to affect desired implementation outcomes and articulate those factors that influence these processes. Based on a synthesis of findings from the literature review, case study research and the research seminar, each pathway section follows a similar structure:

- a summary of key findings;
- an introduction to the pathway and its components;
- exploration of each component (with assessment criteria, a discussion of the main achievements and a discussion of determining factors and constraints); and,
- a summary table with TDM-specific findings.

[30] Kneale J et al. (2018) 'Conceptualising causal pathways in systematic reviews of international development interventions through adopting a causal chain analysis approach', *Journal of Development Effectiveness*, 10:4, 422-437.

4.2. Pathway 1: drafting and use of territorial development strategies

Key findings

Local authorities took the leading role in the drafting process, improving strategic planning in the territory and increasing CP scope to address place-specific needs and potentials. In some contexts, this included the generation of new strategic frameworks for specific territories.

The drafting process was seen as beneficial by territorial stakeholders in providing a framework to build collaborative relationships at local level. Co-production largely involved interaction between local authorities. Participation of local communities and citizens varied according to existing traditions, territorial scale and availability of time and resources to build relationships. A distinguishing feature of CLLD was the involvement of the local population.

Strategies drew on a range of existing strategic documents, supporting coherence with overall development targets of the territory, region and MS. This facilitated prioritisation and cross-sectoral integration and connected stakeholder networks from other strategies. Overall, there was potential for more exploration of coherence and descriptions of linkages were not consistently included in strategies. There was variation across MS in terms of availability of other strategies to reference.

TDM strategies frequently lacked an explicit, territorial intervention logic often because the decision to use a TDM was taken at a higher level, particularly in the case of SUD strategies funded under ERDF Article 7. A pragmatic rationale behind the use of TDMs is evident, notably to utilise existing experience and capacities.

Nevertheless, research revealed the existence of territorial intervention logics for the use of TDMs, even in the absence of explicit or detailed descriptions. Interviews with programme authorities and strategy holders during case study research showed that there were territorial rationales for using TDMs in different types of places (districts/neighbourhoods, cities/towns, FUAs, larger rural/polycentric areas).

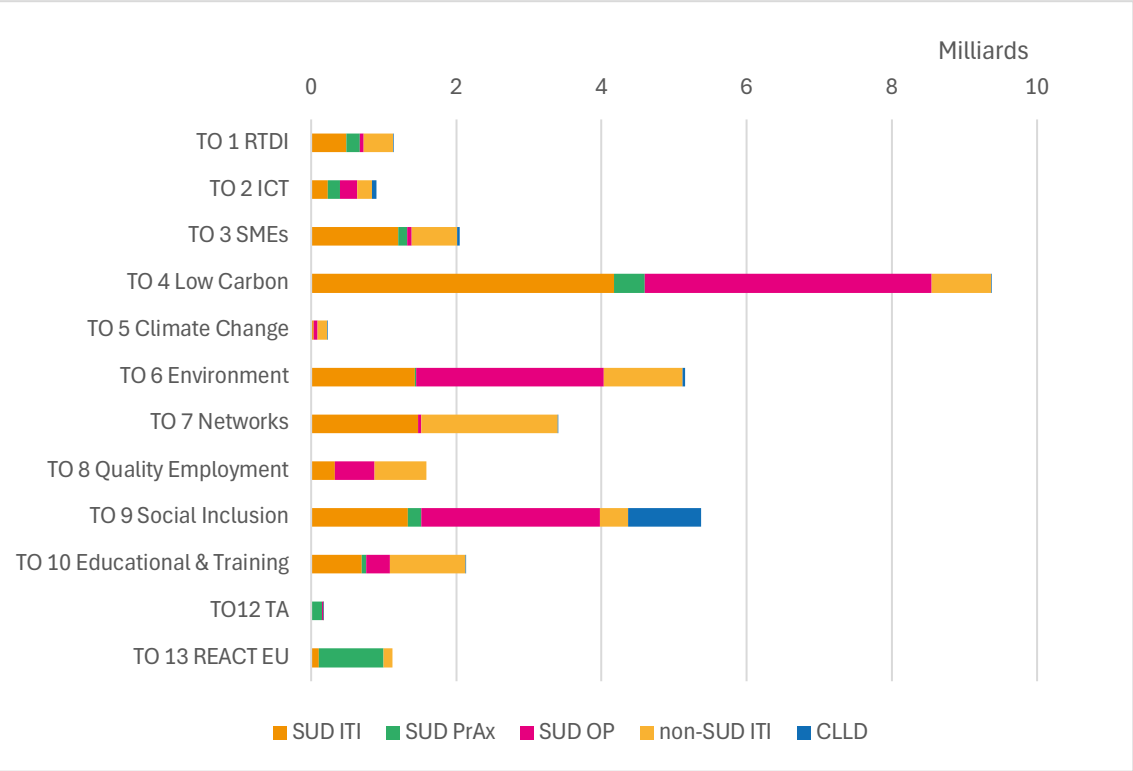
Strategy holders and beneficiaries noted the relevance of TDMs in responding to local needs. However, there were constraints on bottom-up inputs, including the influence of programme-level priorities. The use of ITI (SUD and non-SUD) was particularly associated with the integration of thematic objectives to address territorial needs.

Although the value of developing dedicated monitoring and evaluation systems for TDMs was recognised by strategy-holders, there were substantial difficulties in achieving this, including: reconciling functional/administrative boundaries for identifying indicators and data sources; capturing integrated effects; and measuring the contribution to OPs as well as to the strategies themselves.

Given these challenges, there was a tendency for TDMs to base monitoring and evaluation on programme rather than strategy level indicators and systems. The dominance of programme-level indicators complicated assessments of TDM achievements risked undermining strategic territorial planning and the perception of strategies acting as vehicles to absorb programme funding.

There is overlap in the types of development needs identified by TDMs but some variation across instruments can be identified. Analysis of quantitative data on ERDF investments shows that all TDMs covered a broad spectrum of objectives. The exception to this was CLLD, which had its own dedicated investment priority. Overall, there is a focus on the shift to low-carbon economy, environment and resource efficiency, social inclusion, sustainable transport, and networks (see Figure 12).

Figure 12: Distribution of investments channelled to operations via TDMs by Thematic Objective (total eligible costs € billion)



Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

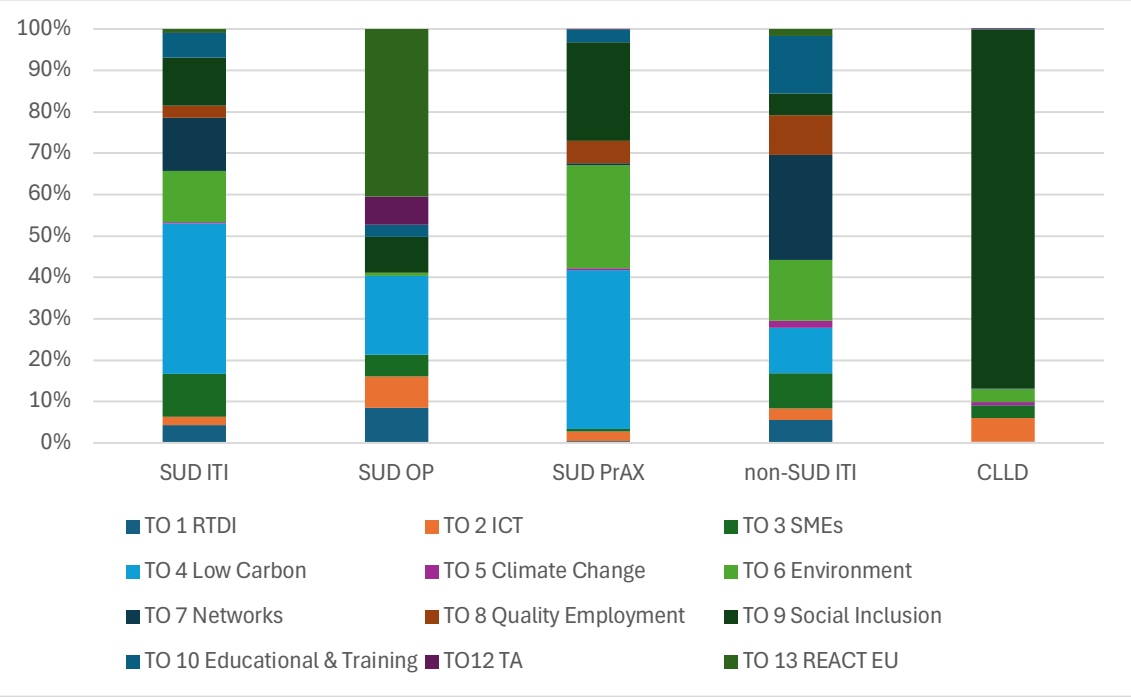
Analysis of data on the share of allocations to TOs and investment priorities across TDMs, shows greater variation in the challenges being addressed (see Figure 13).

- **There is clear emphasis under SUD ITI on the low-carbon agenda**. There is concentration on IP 4e, which covers promoting low-carbon strategies for all types of territories and, specifically, the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures in urban areas.
- **SUD OPs also include a focus on the low carbon agenda. At the same time, they have notable allocations to Technical Assistance and to REACT-EU** (TO13). This was not directly reflected in the case of other TDMs as REACT-EU funding was allocated at OP level and not to other specific TDMs.
- **SUD PrAx allocated a substantial share of funding to the low carbon agenda, including concentration on IP 4e. They also allocated substantial allocations to priorities related to the revitalisation or regeneration of specific urban areas**. This TDM included a focus on: IP 6e (taking action to improve the urban environment, to revitalise cities, regenerate and decontaminate brownfield sites, including conversion areas, reduce air pollution and promote noise-reduction measures); and IP 9b (providing support for regeneration of deprived communities in urban and rural areas).
- **Non-SUD ITIs show a more evenly distributed set of themes. Compared to other TDMs, there is greater emphasis on challenges related to improving sustainable transport and removing bottlenecks in key network infrastructures,** including developing TEN-T infrastructure and enhancing

regional mobility (IPs 7a and 7b). In this context, it is worth noting that this type of TDM is predominantly implemented in larger territories, incorporating rural and polycentric settings.

- **ERDF investments for CLLD strategies are mainly channelled through a dedicated IP - 9d 'Undertaking investment in the context of community-led local development strategies'. However, it can also be used to achieve results which contribute to all 11 TOs** and a wide range of challenges in different contexts, including social inclusion and fighting poverty and discrimination; access to quality information and communication technologies (broadband internet connection); and climate change adaptation, risk prevention and management.

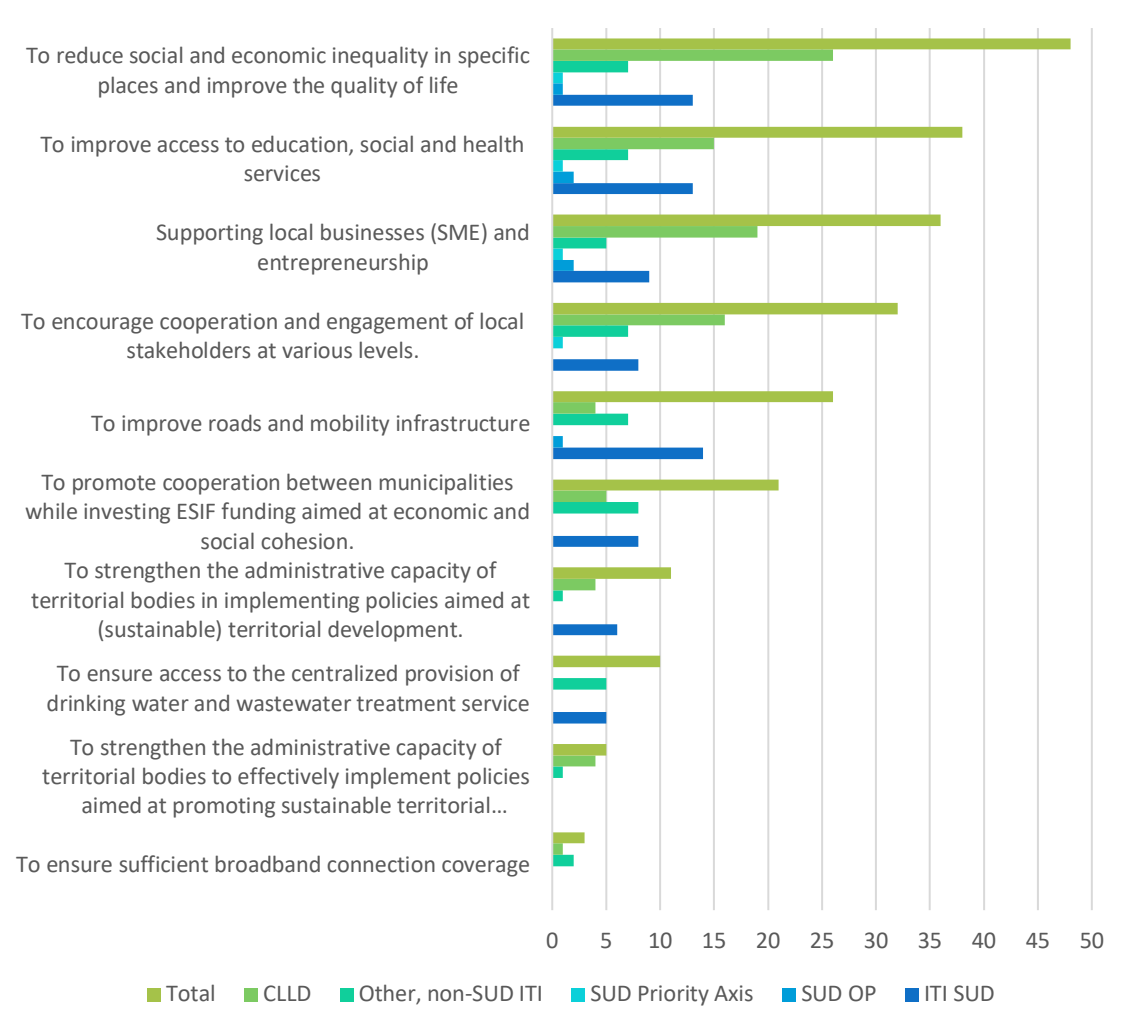
Figure 13: Mix of Thematic Objectives by TDM type (% of total eligible costs)



Source: Cohesion Open Data, 2014-20 categorisation dataset. Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

When asked about the main rationale for their TDMs, territorial stakeholders highlighted several key points (Figure 14). **The reduction of social and economic equalities is the most frequently mentioned, followed by improved services including education, social services and health**. Interestingly, there is some variation in rationales for use of TDMs between older and newer MS, which could reflect differences in the level of funding available. Respondents from pre-2004 and post-2004 EU MS groups both emphasised cooperation between municipalities and local stakeholders as a key rationale. However, pre-2004 MS placed more emphasis on supporting SMEs and entrepreneurs and concentrating resources in a defined geographic area. Post-2004 MS highlighted the importance of strengthening administrative capacity of territorial bodies and solving complex problems in an integrated way.

Figure 14: What was the main objective or objectives to be achieved through the territorial strategy or strategies?



Source: TDM Survey carried out by the project team, N=55.

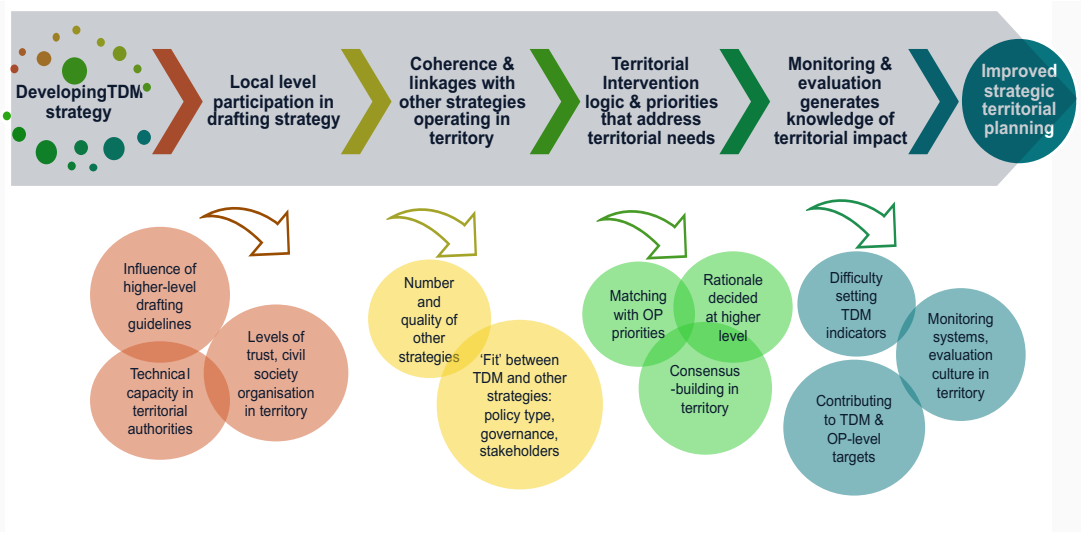
The first pathway traces whether and how TDMs as place-based instruments improved the effectiveness of CP investment through the use of territorial development strategies. As place-based development is concerned with the implementation of policies that are uniquely tailored to the contexts within which they are to be pursued, their success depends, most immediately, on the employment of a robust strategic planning process.[31] An effective planning process will yield a strategy that is an accurate reflection of a number of factors including: local economic realities, opportunities, and strengths; institutionally imposed constraints; and the priorities of the territorial stakeholders that will ultimately be affected. On the other hand, a weak strategic planning process can lead to the identification of irrelevant needs and opportunities, inappropriate or overambitious policy priorities, interventions that are not practical given financial, institutional or capacity constraints and inefficient resource allocation. This risk is particularly relevant for regions, small towns, and rural municipalities where constraints on financial or technical capacity may be particularly acute.[32]

[31] Rodríguez-Pose A et al. (2017) 'Revamping Local and Regional Development Through Place-Based Strategies' *Cityscape*, Vol. 19, No. 1, pp. 151-170.

[32] Begg I (2018) Innovative Directions for EU Cohesion Policy after 2020, CESifo Forum, ISSN 2190-717X, ifo Institut - Leibniz-Institut für Wirtschaftsforschung an der Universität München, München, Vol. 19, Iss. 1, pp. 3-9.

This pathway involved a series of components where the use of TDMs could contribute to the improvement of local strategic planning processes, facilitating CP contribution to the longer-term objective of place-based development. Moreover, the extent to which this pathway led to improved quality of local strategic planning, and ultimately to strengthened territorial development, was conditioned by a range of modifying factors (Figure 15). A review of the literature identified factors under each of these components and these are explored below.

Figure 15: Pathway 1 elements and conditioning factors



4.2.1. Local level input in needs analysis and drafting the TDM strategy

The process of drafting TDM strategies should generate specific data and information on: local conditions which strengthen the quality of strategic planning; the financial, technical, and institutional resources that strategies can draw on; and the implementation arrangements. Although Commission regulations did not go into detail on the drafting process, guidance underlined that the outcome should be a comprehensive and evolving strategy that is of practical use to territorial authorities and that helps to address place-specific challenges.[33] The place-based approach not only identifies the specific needs of each territory, but also draws on the knowledge and skills concentrated in those places to shape integrated and tailored solutions. This requires active participation by local authorities in gathering and analysing data and leading collective planning processes. Commission guidance for TDMs highlighted how the role of local authorities in preparing integrated strategies and promoting territorial dialogue with territorial actors in the process can improve strategic territorial planning in the longer term.[34]

Key assessment criteria for this element of Pathway 1 are:

[33] COM (2016) *Guidance for Member States on Integrated Sustainable Urban Development (Article 7 ERDF Regulation)* EGESIF_15-0010-02 20/04/2016.
[34] de Bruijn M and Zuber P (2015) *Scenarios for ITI*. Report prepared for the Directorate General for Regional and Urban Policy of the European Commission.

Assessment Criteria

Criterion	Assessment
Local leadership in drafting	Role of local authorities in drafting process, whether strategy drafting was bottom-up.
Co-production in drafting	Mobilisation and incentivisation of local actors to participate in drafting of TDM strategy.

(i) Synthesis of evaluation findings: what was achieved?

This report's review of TDM strategies and evaluations, and insights provided by case studies, indicate that local level authorities played significant roles in drafting the strategies, usually within frameworks set by national or programme authorities. Local authorities across the strategies covered in the case study research were actively involved in the drafting process and this increased the scope for strategies to draw directly on local knowledge and capture place-specific needs and potentials. This role was usually performed within frameworks set by national level ministries and programme authorities also played important roles. In Poland and Czechia for instance, the drafting of SUD ITI strategies by urban authorities followed a standard structure that was set out in national-level guidance. For the SUD OP in Italy, the national MA provided the cities acting as IBs with a range of tools, such as dedicated templates and guidelines for the design of the strategies.[35]

Although challenging for local authorities, participation in more strategic and cooperative planning of CP investment created benefits in the production of new, long-term investment plans. This included the generation of new strategic frameworks in territories where there had previously been no equivalents. Evidence from a review of academic and policy literature shows that in LDR, strategies were often drafted as completely new place-based frameworks, focusing on a tailored set of activities.[36] In Italy, for instance, the OP Metro was based on new Local Action Plans co-produced by national government and metropolitan authorities over a two-year period.[37] Urban CLLD strategies also frequently represented novel place-based frameworks.

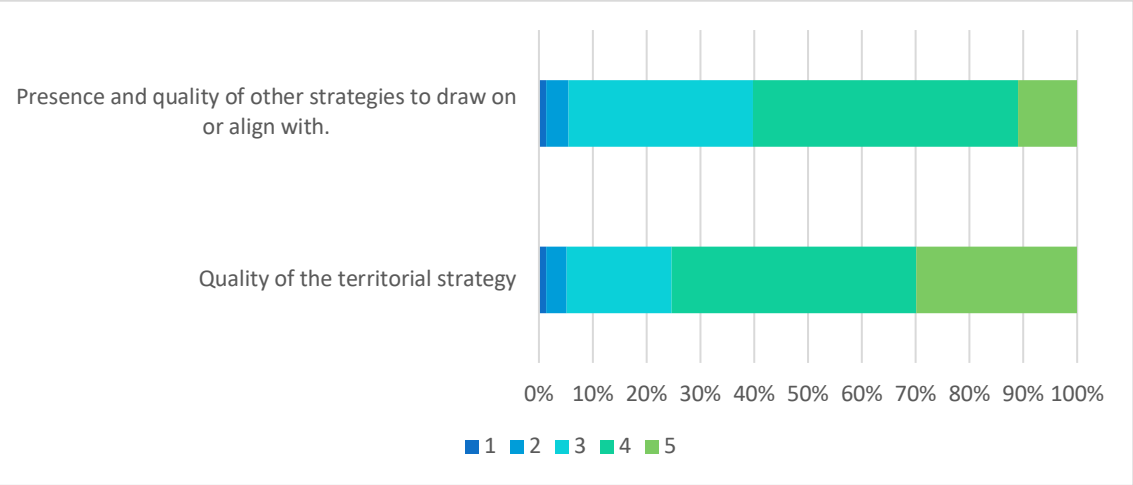
The importance of TDM strategies was emphasised in the research survey. All respondents (programme authorities and territorial strategy stakeholders) rated the quality of strategic documents as having a positive or very positive role to play. Around 60% recognised the ability to align with and draw on the availability and quality of other strategies for the TDMs to be a positive contributing factor (see Figure 16).

Figure 16: To what extent has the quality of strategies had a positive or negative impact on the effectiveness and efficiency of TDM(s)?

[35] Polverari L, Domorenok E and Graziano P (2024) Empowerment via delegation? The administrative capacity-building potential of Cohesion Policy urban development strategies. *Regional Studies*, *58*(4), 733-744.

[36] EACE (2021) *Evaluation of integrated tools in IROP*, Final Report to Czech Ministry for Regional Development.

[37] Vinci I (2019) 'Governing the Metropolitan Dimension: A Critical Perspective on Institutional Reshaping and Planning Innovation in Italy', *European Journal of Spatial Development*. 17, 1 (Feb. 2019), 1-21.



Note: Rating from 1=very negative, 2=negative, 3=neutral, 4=positive, 5=very positive.
Source: TDM Survey carried out by the project team, N=83.

Beyond the strategies themselves, practitioners highlighted the process of strategy drafting as a significant benefit in its own right. Key to this was the incentive provided by TDMs to build collaborative relationships at local level. For example, preparation of the SUD ITI strategy in the Upper Silesian central sub-region covered 81 municipalities and counties as well as local partners (NGOs and universities). This was a substantial challenge for the IB, which was a newly established Association of Municipalities in the territory, but according to its representatives, this ensured the engagement of a wider group of local actors than was usual under 'mainstream' CP. In some contexts, this new, collaborative process helped overcome weaknesses in strategic capacity in smaller, less experienced municipalities as larger cities played an important leadership role – in this context, Rijeka FUA provides a representative example (see Box 2).

Box 2: FUA and 'core city' leadership in drafting SUD ITI in Rijeka FUA

The City of Rijeka, as the lead city for the drafting of the SUD ITI in the FUA, established a specialist internal team for drafting the strategy composed of experts from several departments to collect and process specific data. In parallel, cooperation with other FUA cities and municipalities was very intensive, with weekly meetings organised in a Working Team consisting of representatives from all 10 members cities and municipalities. Meetings rotated around the municipal headquarters of one of the members, with the hosts presenting the need of the city/municipality, followed by the thematic part of the workshop, and a tour of locations for projects. This was important given significant differences in the development problems across the FUA. Knowledge exchange and increased awareness of common and specific needs across UAs was seen by the IB interviewee as the main added value of SUD ITI implementation.

Source: Case study research.

Drafting a TDM strategy offered the potential to improve territorial planning through active participation of a broader range of local interests, territorial actors and communities, bringing CP 'closer to the people'. In its guidance on the drafting of strategies, the Commission underlined the importance of active participation by territorial stakeholders (civil society, local citizens etc.). Drafting the strategy through co-production with territorial actors has the potential to increase collective understanding of, and commitment to its objectives, increasing the likelihood of an integrated approach and the chances of successful implementation.[38] TDMs introduced a variety of steps to

[38] COM (2016) *op. cit.*

engage different types of stakeholders, with varied modes and intensities, ranging from consultation (top-down requests for responses from stakeholders), through engagement (discussions with selected stakeholders) to co-production (collective decision-making, see (Table 14).

Table 14: Participatory processes in TDM drafting

	Consultation	Engagement	Co-production
Depth of participation	Limited	Medium to high	High
Direction of interaction / communication mode	Two-way but limited interaction	Two-way, collaborative	Multi-directional acknowledging equal standing b/w all parties
Organisation	Local authorities define issues, provide material set questions and manage process, local communities and citizens contribute opinions	Local authorities lead but space for consensual decisions and solutions based on collaborative/bottom-up action; may involve certain sharing of powers between urban authorities and stakeholders	Sharing responsibilities across urban authorities, joint working on strategic priorities and specific operations based on collaborative decision-making)
Mechanism	Public meetings, comment periods; surveys; digital platforms	Committees; working groups	Deliberative and vision/foresight-building processes via forums/workshops/ panels; negotiations
Product of the participation	Views/opinions/feed back on the strategy	Forming collective judgements, recommendations and concrete actions (e.g. proposals for operations)	collective ideation, co-creation of strategy and operations
Examples	Website, social media, questionnaires for citizen feedback (SUD OP Brussels)	Bilateral meetings between urban authorities and territorial stakeholders and the establishment of thematic working groups (OP Metro Bari)	Compulsory mobilisation of local communities in CLLD. Memorandum of Cooperation between cities and development of thematic priorities and projects (SUD ITI Hradec-Pardubice)

Source: own elaboration based on case study research.

Co-production, entailing a collaborative approach in devising strategies and collective decisions on goals, generally involved interaction between local authorities themselves. This prioritised coordination within local public authorities over broad public participation (although CLLD was an exception, see below). Even when confined to local authorities, as noted above, the significance of this process cannot be overlooked, particularly in scenarios where prior instances of inter-municipal cooperation were scarce. In Hradec-Pardubice SUD ITI for instance, a new Memorandum for Cooperation between both cities was signed by high level political representatives. Mayors of municipalities and cities were asked to set out and share their project intentions with impact benefits to the agglomeration.

The participation of other territorial stakeholders (including public and private organisations, civil society, academia, the private sector) was based on engagement rather than co-production. Stakeholders exercised some authority over strategic directions, albeit within parameters set by MAs and IBs. Local stakeholders had a degree of influence over strategic directions, though within the boundaries established

by programme and urban authorities. The main mechanisms for such engagement were through general or bilateral meetings between territorial authorities and territorial stakeholders, as well as the creation of thematic working groups. For instance, the OP Metro SUD OP in Italy acts as an overarching strategy for Operational Plans, which are local action plans co-produced by the national level and urban authorities. The design of these Operational Plans was regarded by stakeholders to have been an innovative engagement process between municipalities and other stakeholders in the metropolitan area. (see Box 3).

Box 3: Participatory approaches to drafting OP Metro Operational Plans in Bari

In Italy, the OP Metro was based on Operational Plans which were local action plans to be co-produced by the national government and metropolitan authorities over a two-year period. In Bari, for instance, the municipality activated a partnership process to identify the development needs of the territory. The metropolitan city of Bari, the former province, coordinated meetings with relevant stakeholders. Thematically focused meetings were also organised, involving representatives of the third sector and citizens. A platform was created and improved throughout the programme to increase the number of participation opportunities and involve the largest number of citizens possible. During the implementation of specific projects, especially of the third sector, other participatory activities were carried out. Any resulting contributions were then assessed by a steering committee. The municipality of Bari, as responsible IB, established a board consisting of the urban authority and other relevant actors involved in the implementation of the interventions. The board collected the views from the territory and formulated a first proposal of an Operational Plan, which was then submitted to the political level, the metropolitan city council, for approval. The first Operational Plan for Bari was adopted in July 2012 and was then subject to multiple subsequent updates, relating both to required updates in response to implementation progress and to wider contextual changes, such as Covid-19 and the related EU response measures.

Source: Case study research.

Participation of communities and citizens varied but was often limited to broad public consultations rather than more intense engagement or co-creation. This meant that there was less evidence of TDMs introducing innovation in how territorial actors from outside of public administration participated in the drafting process. For instance, in Brussels, a wide range of actors participated in the development of the SUD OP including key regional actors, potential project leaders, thematic and territorial partners, a wider public (via public consultation in particular), and social partners (via the consultation of the Economic and Social Council of the Brussels-Capital Region). However, these actors were consulted at the outset, and according to the mid-term evaluation, a regular and structured exchange was not set up.[39]

(ii) Which factors facilitated or impeded achieving these results?

There were important contextual and TDM-specific issues that determined achievements and the extent and type of added value gained by local actors through participation in drafting strategies.

The drafting process was perceived by programme authorities and territorial stakeholders to be time-consuming and 'resource hungry', underlining the influence of existing strategic capacity and experience within territories. Developing territorial strategies involved aligning the priorities of national and regional authorities, adapting sectoral objectives to specific territorial contexts and bringing together domestic and CP priorities and plans. These processes were complicated where strategies covered large metropolitan areas with a mix of different needs and

[39] BDO (2020) Cross-cutting mid-term evaluation of the Operational Program – Brussels, 2014-2020.

potentials across different places but also in strategies covering smaller territories where there was no experience with a bottom-up input into strategy-building (e.g. where CLLD was being used in urban areas for the first time). In large, well equipped local administrations, existing experience in strategy-building facilitated this work. Where experience was limited, studies have noted that the processes of drafting strategies was significantly more complex and time-consuming.[40]

Where capacity was limited, municipalities acting as strategy-holders often outsourced drafting tasks. In some MS (e.g. Poland and Czechia), external expertise was made available to municipalities, funded by national ministries through Technical Assistance, to support the process of strategy-building. Managing these inputs in a way that maintained the place specificity of strategies and local ownership was challenging.[41] Territorial strategy-holders recognised that external inputs potentially limited the potential for capacity-building within the city administration and constrained the sense of 'ownership' (see Box 4).

Box 4: External support in drafting SUD PrAx for South-West Tenerife

The drafting of SUD PrAx strategy for FUA of South-West Metropolitan Area of Tenerife was subcontracted to external consultants. The expertise of the consultants was considered by the Island Council of Tenerife to be key in drafting a document, which not only met all formal requirements but could also integrate the many different objectives, priorities, and interests coherently but without exceeding a maximum budget of €15 million. According to the interview data, the island council's administration could have not undertaken this task successfully without this level of external support.

For the development of SUD PrAx all three local authorities involved (island council and two municipalities) established an internal working group with a digital collaborative working space. This group collated existing knowledge and designed the stakeholder participation measures. Joint efforts to integrate other relevant administrative bodies (e.g. administrative bodies in charge of education or health care in the Autonomous Government of the Canary Islands) or institutional stakeholders relevant to the multi-level governance model (e.g. churches and their relief and development agencies) were successful. Nevertheless, with a retrospective view, interviewees viewed the externally led drafting process as not fully mobilising those administrative units with responsibility for implementing operations under different themes, limiting ownership of the strategy inside the local administrations themselves.

Source: Case study research.

Nevertheless, benefits in terms of strategic capacity-building gained through local participation in TDM strategy-building were apparent in territorial contexts where existing experience was limited. Where local authorities relied on external assistance in strategy-building, interviewees highlighted steps they had taken to mitigate the risk of failing to capture specific place-based issues: focusing external contributions on technical tasks (e.g. data gathering), ensuring comprehensive discussion of expert proposals within partnership structures and taking ultimate responsibility for finalising the strategy. Soria, Gelsenkirchen and Tartu SUD PrAx strategies combined local efforts with consultancy support, achieving a balance between professional guidance and maintaining local 'ownership' of the strategic planning process. According to interviewees from city-level IBs, balancing professional expertise with local insights and engagement appears crucial in developing strategies that are both high-quality and reflective of local contexts and needs. Practitioners in the seminar discussion groups emphasised that in

[40] Greek Ministry of Development (2020) *Evaluation of the application of the Spatial Tools in Greece in the programming period 2014-2020 1st Deliverable - "Development of Methodology"*.

[41] van der Zwet A et al. (2019) 'Integrated Sustainable Urban Development Strategies in the European Union: Added Value and Challenges' in Medeiros E (ed) *Territorial Cohesion. The Urban Book Series*, 111–129. Cham: Springer.

some territories, this generation of strategies should be seen as the first step, not the final destination: local stakeholders (e.g. in Slovenia) now they have strategic documents to work on and to improve. Some local authorities that depended on MS (e.g. Lublin SUD ITI) that relied heavily on external support for drafting the strategy used 'in house' resources in developing their strategies for the 2021-27 period.

Added value through the process of drafting TDM strategies was less apparent where domestic territorial development systems were well established but even here, important benefits were identified. In large, well equipped local administrations, existing experience in strategy-building facilitated TDM drafting and reduced the scope for TDMs to provide added value. However, even here, practitioners argued that the drafting process was beneficial where it was used to support synergies or fill gaps where CP could be best used, or for experimentation and innovation. In strategies located in MDR, TDM strategies did not often represent a novel approach but they encouraged integration and the pursuit of complementarities between CP and domestic place-based strategies. For example, in Sweden, SUD PrAx strategies were based on so-called integrated plans that acted as a supplement to the regional OP, referring to the part of the programme earmarked for SUD.[42] According to interviews with programme authorities and beneficiaries, in the Netherlands, SUD ITI drafting offered the scope to draw in new political participants from the city level and to involve stakeholders from the social sphere in the discussion. As discussed in the research seminar, in Finland, the Six City strategy introduced a new level of strategic cooperation that allowed cities to identify common challenges solutions (notably around smart specialisation and digitalisation). This collaboration has been considered successful, reflected in the push from other cities, including those smaller in size, to be included in ITI in 2021-27.

Variation in the participation of communities and citizens in drafting TDM strategies can be explained by contextual factors and TDM-specific characteristics. The extent to which different types of stakeholders and communities could be mobilised for co-production varied depending on levels of trust and social capital, and availability of time and resources to build relationships. In a context of limited time and resources, TDM strategy-holders had to strike a balance between the breadth and intensity of participatory instruments: a narrower focus on a smaller number of stakeholders (notably municipalities) facilitated more intense participation but broader community participation was more challenging, particularly where levels of trust, civil society organisation, and contacts between local authorities and territorial stakeholders were limited. Some local authorities have substantial experience in managing urban development and this has been highlighted in the literature as an important factor for the positive outcome of participatory approaches (e.g. for SUD PrAx planning in Barcelona).[43] Studies have noted that traditions of societal engagement and the presence of civil society groups are crucial particularly for TDM measures that rely on active civic engagement (e.g. in the field of urban mobility, multimodality and environmental sustainability).[44]

The intensity of community participation also depended on the territorial scale of the TDM strategy. In cases where instruments targeted specific areas within cities (e.g. neighbourhoods in SUD PrAx or CLLD), there was a strong focus on directly involving communities and residents. Various forms of participatory processes encouraged collaboration and reflexivity among the actors involved, including: fora, participatory

[42] Swedish Agency for Economic and Regional Growth (2019) *Evaluation of sustainable urban development in the regional fund.*
[43] Medeiros E and Rauhut D (2020) *op. cit.*
[44] Kovachev A, Slaev A D, Nozharova B, Nikolov P and Petrov P (2018) Can public participation contribute to sustainable mobility? The experience of Bulgarian cities. *Support to Urban Development Process, Lausanne: EPFL, IAUS*, 59-79.

planning workshops in Italy; discussions, focus groups, exhibitions, surveys, online questionnaires in Bulgaria;[45] participatory mapping, interviews and sectoral meetings, and activities targeting specific communities or groups (e.g. young people in the SUD PrAx Valencia).[46]

Specific TDM characteristics were also important in explaining the scope and intensity of participation, with CLLD particularly prominent in this respect. According to literature, participatory processes played an important role in consolidating local community ownership and commitment to these strategies. This was observed in cases across TDM types but was particularly evident in CLLD cases.[47] One of the distinguishing features of CLLD is the compulsory involvement of the local population, including during strategy design. The organisation of LAGs typically consists of three key components: civil society, economic stakeholders, and the public sector. These entities collaborate to drive local development initiatives within their respective communities. In cases where cities made use of urban CLLD, an important element of the intervention logic was to actively engage local communities in order to strengthen the relevance of measures, boost local ownership and strengthen the capacity of communities to participate in development initiatives in the long term. In The Hague, CLLD was used to establish and maintain trust, creating a new relationship between citizens and the local government, and tackling new challenges that require broad societal support and an increase of citizen engagement.[48]

LAGs used a broad range of methods to mobilise stakeholders. In the CLLD cases selected for research, the local stakeholders (public authorities, local economic and social partners, private sector partners and local communities and residents) were typically mobilised at two stages: (i) the initial consultation on data gathering and identification of needs and key local issues; and (ii) in response to a draft strategy. Questionnaires and surveys, working and focus groups, dedicated websites, exhibitions in municipalities, cultural events, local media, dedicated publications, public meetings and suggestion boxes were among the methods highlighted in case study research. According to practitioners and beneficiaries interviewed in the CLLD case studies, the participatory process was very detailed, and it was considered to be more inclusive than is typically the case in other CP and domestic measures. An important associated added value was the increased scope to target and engage citizens and communities that previously had limited or no access to funds.

4.2.2. Coherence and linkages with other strategies

TDMs operate alongside other strategies and programmes which provide alternative sources of funding for development in their territories, including 'mainstream' CP funding and domestic measures. Coherence with these other strategies and programmes strengthens strategic territorial planning. On the one hand, TDM strategies can derive or support their analytical sections based on existing strategic documents that cover their territory. More importantly, coherence supports improved, strategic territorial planning

[45] Sofia Municipality (2021) *Report on the implementation of the Integrated Plan for urban reconstruction and development of the city Sofia for the period 2014 – 2020*. Final Report.
[46] Peris J et al. (2020) The paradox of planning for transformation: the case of the integrated sustainable urban development strategy in València (Spain), *Urban Transformations*, *2*, 1-23.
[47] Infyde (2019) Analysis of the ITIs effectiveness in Spain (2014-2020; van Leeuwen, C. et al (2020) *Learning evaluation: The added value of the CLLD approach for urban developments*, Final report CLLD Scheveningen.
[48] Hurulean S et al. (2020) 'Community-Led Local Development – Governance' presentation at UDN webinar, *Six Building Blocks to Sustainable Urban Development*, 13 November 2020.

through the identification and pursuit of complementary investments and the reduced risk of rivalry and duplication of support.[49]

Key assessment criteria for this element of Pathway 1 are:

Assessment criteria

Criterion	Assessment
Coherence in strategic planning process	Description in strategies of arrangements for coordination, demarcation and complementarities or synergies with other strategies.
Identification of synergies/ complementarities in strategy	Identification of specific complementarities with other EU or domestic instruments (reference to specific strategies).

(i) Synthesis of evaluation findings: what was achieved?

The majority of TDMs included in this report's review of strategies and evaluations, and also covered in case study research, pursued coherence with other strategies, plans or funding programmes in the drafting process. This included EU strategies and CP OPs, national regional development policies and regional-level strategies, innovation-oriented policies, and spatial planning frameworks.

Coherence with CP OPs was a basic requirement for TDMs, strengthening the territorial dimension of CP. SUD operations under ERDF Article 7 had to be in line with the objectives of national and regional CP programmes and priorities from which their funding derived. A clear example is the case of SUD PrAx strategies which were automatically integrated into OP priorities supporting SUD, applying a territorial lens to the measures supported in those priorities. Similarly, **by regulation, CLLD strategies** were required to be consistent with the relevant programmes of all the ESI Funds involved (CPR Article 33).

Explicit descriptions of linkages with other EU instruments and frameworks beyond CP were not consistently included in TDM strategies and there was potential for much more exploration of coherence at strategy level. Coherence of TDMs with other EU support beyond CP was mostly ensured via the programmes that provided their funding. The CPR 2014-20 provided a legal basis for supporting coherence between CP and other EU instruments, requiring greater clarity on complementarities and synergies in strategic frameworks and programme documents and these could contain reference to TDMs in their descriptions of coherence.[50] For example, in the Bulgarian and Slovak CLLD strategies covered in the case study research, no additional direct references to other EU instruments were made in strategies. Instead, connections to other measures were made at programme level, such as in the case of Troyan-Apriltsi-Ugarchin, where considerations of complementarities are discussed in the guidance documents developed by the programmes providing the funding for the CLLD implementation. However, TDM strategies could have themselves identified coherence and complementarities with other CP and broader EU measures, especially those with a clear territorial focus. Notably, given the similarity in principles and aims with TDMs in building partnerships (across administrative borders) leading to integrated actions, the links between TDMs and the EU's Territorial Agenda and its Pilot

[49] Infyde (2019) *op. cit.*; van Leeuwen, C. et al (2020) *op. cit.*
[50] Regulation (EU) No 1303/2013 of the European Parliament and of the Council, Annex 1 – Common Strategic Framework.

Actions and Interreg programmes and projects could have been explored to a greater extent in strategies.[51]

Coherence with domestic development frameworks was commonly pursued across TDMs as part of the strategy drafting process. TDM strategies frequently drew on strategic documents and included coherence checks in the drafting process. Regional, metropolitan and city level development strategies were influential frameworks in defining the thematic orientation of TDMs. For instance, three of the four SUD OPs covered city or FUA territories that were supported by a range of strategies and plans that identified needs and potentials and set out priorities and measures to be pursued. The basis for the Prague SUD OP was an analytical document prepared by the Department of Strategic Policy of the Municipality of Prague. According to strategy-holders, the Hradec-Pardubice SUD ITI assessed 43 other strategic frameworks and the majority were regional and local: regional and city development strategies, waste management and environmental plans etc. Another notable example was SUD ITI drafting in France, where the identification of needs and potentials was carried out concomitantly with the agreement of the domestic territorial development contract and city contract. According to assessments carried out by French authorities, all of these documents fed into each other in the drafting process, boosting strategic coherence.[52] In the Romanian CLLD case of Caracal, the key strategic documents referred to in the TDM strategy reflect its strong social inclusion orientation: National Strategy for Social Inclusion and Poverty Reduction 2015-20 and the Government Strategy for the Inclusion of Romanian Citizens belonging to the Roma Community 2012-20.

In several instances, TDM strategies were fully integrated with domestic frameworks, supporting strategic coherence. In Portugal, for instance, territorial interventions under all TDMs operating in a territory were anchored in an integrated territorial development strategy at NUTS 3 level. These provided the overall reference framework to ensure the strategic coherence of all EU-funded and domestic territorial interventions in a given region and were in turn linked to broader regional (NUTS 2) development strategies. According to interviewed strategy-holders, this ensured the strategic coherence of all territorial interventions in each region (including ITI, SUD and CLLD investments). In Italy, the Operational Plans supported by the OP Metro were seen by programme authorities and local authorities as integral to the new generation of metropolitan strategic plans that were drafted after constitutional reforms in Italy in 2014.[53]

Smart Specialisation Strategies (S3) have proved valuable in providing a specific focus for strategic coherence under the heading of research and innovation. In Stockholm SUD OP, the analysis of development trends within the territory undertaken as part of the drafting process was also the basis for drafting the region's S3. According to interviewees from the MA, the SUD OP was a means to administer support addressing the needs and potentials identified in drafting the S3. In the Italian context, interviewees noted the role of the OP Metro in strengthening aspects of the Smart City agenda. In the municipality of Turin, the Operational Plan was aligned with a long-term strategy that intends to shape the 'Smart City' by promoting the reduction of energy consumption, improving public administration through the introduction of ICT technologies, increasing accessibility and strengthening social inclusion in marginalised areas. Links to Smart Specialisation Strategies were also pursued in several of the SUD ITI strategies selected

[51] Schwartz P et al (2022) *Territoriality for Interreg practitioners: Bringing territoriality into Interreg*. Online publication 5 April 2022.
[52] L'Institut Paris Region (2021) *Coherence Assessment of Integrated Territorial Investments in Ile-de-France - analysis sheets*.
[53] van der Zwet et al. (2017) *op. cit.,* Strategy Fiche, Turin.

for case study research (e.g. Hradec-Pardubice, Piraeus), reflecting the evolving approach to CP support for urban development, incorporating a focus on research and innovation.

The pursuit of strategic coherence in the TDM drafting process produced important benefits according to the reviewed evaluation literature and interviews with strategy-holders. Strategic prioritisation and cross-sectoral integration in TDMs benefited considerably where they were based on regional and local development plans. Gelsenkirchen's SUD PrAx strategy highlighted the practical benefits of integrating priorities at the local level, with an operational focus on how combined measures across different sectors could improve socio-economic conditions in intervention areas. In Brussels, the SUD OP was seen as part of wider masterplans that cover development of the city region. According to MA interviewees, coherence was important in ensuring complementarity where domestic measures supported larger public investments and the SUD OP supported more innovative aspects of the masterplan.

Strategic coherence helped ensure sufficient funding for TDM priorities. A prominent example is Limburg where the ITI implemented projects with substantial financial resources, partly due to the strategic basis provided by the region's own SALK Action Plan. In the Kaposvár SUD PrAx, the approach to strategic integration was rooted in the operational translation of the city's overall development strategy, with an emphasis on how different funding sources could complement priorities in the strategy. According to interviewees in Portugal, the push for coherence across TDMs and other strategies in some territories was a response to the limited funding available to execute the projects and the need to identify complimentary resources. In Rotterdam, the SUD ITI aligned with the National Programme for South Rotterdam (NPRZ) which was a common initiative of the Dutch government, the municipality of Rotterdam, local schools, hospitals, social housing bodies and the business community. This helped combine investment under the shared objective of addressing the mismatch between the labour market's supply, including funding available to address youth unemployment in Rotterdam South. Similarly, in Greece, SUD ITI strategies were fully integrated with and seen as a key source of support for emerging urban development plans. Integrated Urban Intervention Plans (IUIP) were introduced in 2015, which systematized principles, institutions, procedures and instruments for SUD. The first plans were drafted in 2015, but no provisions were made for their funding. However, the IUIPs were used as inputs for the drafting of SUD strategies under ERDF Article 7 and the merging of these EU and domestic strategic frameworks meant that funds became available for realising their priorities.[54]

By drawing on existing networks, the pursuit of coherence through the drafting process also supported the participation of territorial stakeholders in TDMs. According to an interviewed university that was beneficiary of the SUD ITI in Hradec-Pardubice, involvement in the development of the S3 strategy provided the starting point for subsequent engagement in the SUD ITI because innovation platforms under S3 were also used to discuss research and innovation themes for the SUD ITI strategy and the development of project ideas in collaboration with other higher education institutions in the territory.

(ii) Which factors facilitated or impeded achieving these results?

The extent to which the benefits emerged from pursuing strategic coherence in the TDM drafting process varied according to contextual and TDM-specific factors.

[54] Asprogerakas E (2020) Strategies of Integrated Interventions in Greece: Tools and Governance Schemes. *Planning Practice & Research*, *35*(5), 575-588.

As TDMs were being drafted, there was variation across MS and territories in terms of the availability of other strategies and programmes to draw on. Evaluations have noted that the implementation of more integrated, strategic projects occurred where cities had their own, good quality development strategies that already defined needs and priorities.[55] For example, the basis for the Prague OP was an analytical document prepared by the Department of Strategic Policy of the Municipality of Prague. This was highlighted by the MA as a critical factor and the decision to implement SUD OP was based on the assumption that the City of Prague had the internal planning capacity needed to identify its priorities and prepare a plan to respond to those priorities.[56] Interviewees stressed that strategies for Prague are of high quality and their existence facilitated the preparation and implementation of Prague OP, especially in the initial phase.

In some cases, timing issues undermined efforts to strengthen coherence between TDM strategies and domestic measures. In Brussels SUD OP, regional strategies of relevance to the SUD OP were established later than its launch (e.g. the Regional Sustainable Development Plan and the industrial plan etc.). These new strategies and plans have informed the 2021-27 OP but came too late to play that role in 2014-20. In Italy, although the Operational Plans supported by the OP Metro were originally seen as an important means of supporting the new generation of metropolitan strategic plans, there were no metropolitan strategies to draw on when the 2014-20 OP was drafted, and other territorial strategies and sectoral plans were assessed for coherence instead.[57]

The place of a TDM in CP and the domestic policy hierarchies of individual MS contexts also influenced the strength of strategic coherence and explicit linkages to EU or domestic frameworks. Challenges to the pursuit of coherence varied according to the status of CP in different MS contexts and the orientation of domestic policy management and implementation systems.[58] Differences were apparent within specific TDM types across MS, reflecting the influence of broader CP and domestic policy models. Case studies covering SUD PrAx were illustrative of this point. In the case of Tartu, a relatively centralised policy system with programme authorities and IB at national ministry level, interviewees noted a strong emphasis on vertical coherence, aligning the TDM with national sectoral policy strategies through a series of reviews of the strategy by responsible agencies and line ministries. In Kaposvár SUD PrAx in Hungary, coherence with local development strategies was prioritised in strategy drafting and in project selection processes. According to interviewees, this reflected Hungarian reforms in 2013-14 to strengthen territorial development coherence and confirm the central role of CP in territorial development.

Pursuing coherence was facilitated in the case of CLLD in rural areas as LAGs were able to draw on their experience from designing strategic frameworks for LEADER in earlier programme periods. Many of these had already drawn on a wide range of strategies across territorial levels and sectors.[59] In Pojezierze Brodnickie, this included strategies at voivodeship level, such as its development strategy Modernisation Plan 2020+, as well as social and tourism strategies. According to LAG interviewees, the strategy also identified potential complementarities with the county strategy, a study of

[55] Ernst & Young (2021) *Result evaluation of the benefits of EU funds at regional level: task 4 case study pilot*, Report to Czech Ministry for Regional Development.
[56] Kriss P et al. (2018) *Romania Catching-Up Regions: Organizational Models for Interjurisdictional Agreements (English),* Washington, D.C.: World Bank Group.
[57] van der Zwet et al (2017) *op. cit.,* Strategy Fiche, Turin.
[58] OECD (2018) Policy Coherence for Sustainable Development 2018: Towards Sustainable and Resilient Societies, OECD Publishing, Paris,
[59] Kah S (2023) Review of the use of CLLD in Cohesion Policy in the 2014-20 programme period, Policy Brief for the European Commission, June 2023.

conditions and directions of spatial development and the municipal development strategies. In LAG Harz, the strategy was informed by spatial planning frameworks at state level, the district development concept, as well as plans of the participating municipalities.

4.2.3. Territorial intervention logic & priorities that address territorial needs

An overarching logic of intervention is an important element of territorial planning as it articulates what a territorial development strategy seeks to achieve. For the 2014-20 CP programmes, a clear intervention logic was required to provide a unifying reference point for the various actors involved and to inform the establishment of more precise priorities and objectives. Without an explicit, overarching logic there was a risk that the achievement of strategic objectives is undermined by a focus on absorbing funding rather than pursuing strategic aims.[60] Commission guidance for TDMs assumes that local authorities and territorial stakeholders also identify an intervention logic that explains how different components of the TDM target and support the needs and potentials they have identified.[61] However, a statement of the intervention logic in strategies was not required by regulation. Moreover, the inclusion of the principles used to identify urban areas for SUD strategies in the national level Partnership Agreements was a regulatory requirement under ERDF Article 7. Thus, in some cases the rationale for using a TDM in a specific territory was implicit as the decision was made at a higher level.

Following on from a territorial intervention logic is the 'territorialisation' of strategic priorities to respond to specific needs and potentials. In theory, TDMs should support the tailoring of CP TOs and OP priorities to the needs identified in the territorial strategies. The use of TDMs also allows strategies to draw support from several Priority Axes from one or several OPs, and from different Funds, to deliver cross-sectoral interventions and thus address complex linkages and interactions between different sectoral issues in a given territory. By combining inputs from different Funds, priorities or programmes, these strategies can create more sophisticated responses to issues that have related social and economic components.

Key assessment criteria for this component of Pathway 1 are as follows:

Assessment criteria

Criterion	Assessment
Intervention logic	Explicit justification of the rationale for the selected strategy
Strategic aims & objectives	Priorities are clearly linked to territory-specific needs and potentials
	Strategy integrates sectoral priorities in territory

(i) Synthesis of evaluation findings: what was achieved?

TDM strategies frequently lacked an explicit, territorial intervention logic and this was an impediment to strengthening strategic planning. A territorial analysis of the needs, challenges and opportunities of the territory covered by the strategy was

[60] van der Zwet A et al. (2017*) Integrated territorial and urban strategies: How are ESIF adding value in 2014-2020?*, Brussels.
[61] de Bruijn M and Zuber P (2015) *op. cit.*

obligatory for TDMs. In theory, this analysis should be a key element in establishing the intervention logic and should have informed the choice of TDM type. However, this intervention logic was only implied in the Commission regulations. It was nowhere mentioned in the TDM regulations that strategies had to select TDMs that follow from challenges identified in the territorial analysis. Frequently, strategies included objectives related to relevant needs without making explicit the intervention logic and the overarching theory of change for the territory.[62] The risk was that, without a clear intervention logic that linked overarching goals, individual priorities and measures to specific areas, all parts of the territory would have access to resources from all priorities and measures, reducing the territorial concentration of investment, and thus the impact of TDMs as place-based instruments.[63] Evaluations have experienced difficulties in assessing TDM achievements without an explicit overarching intervention logic and associated objectives, actions and indicators (e.g. evaluations in Lithuania and Romania).[64]

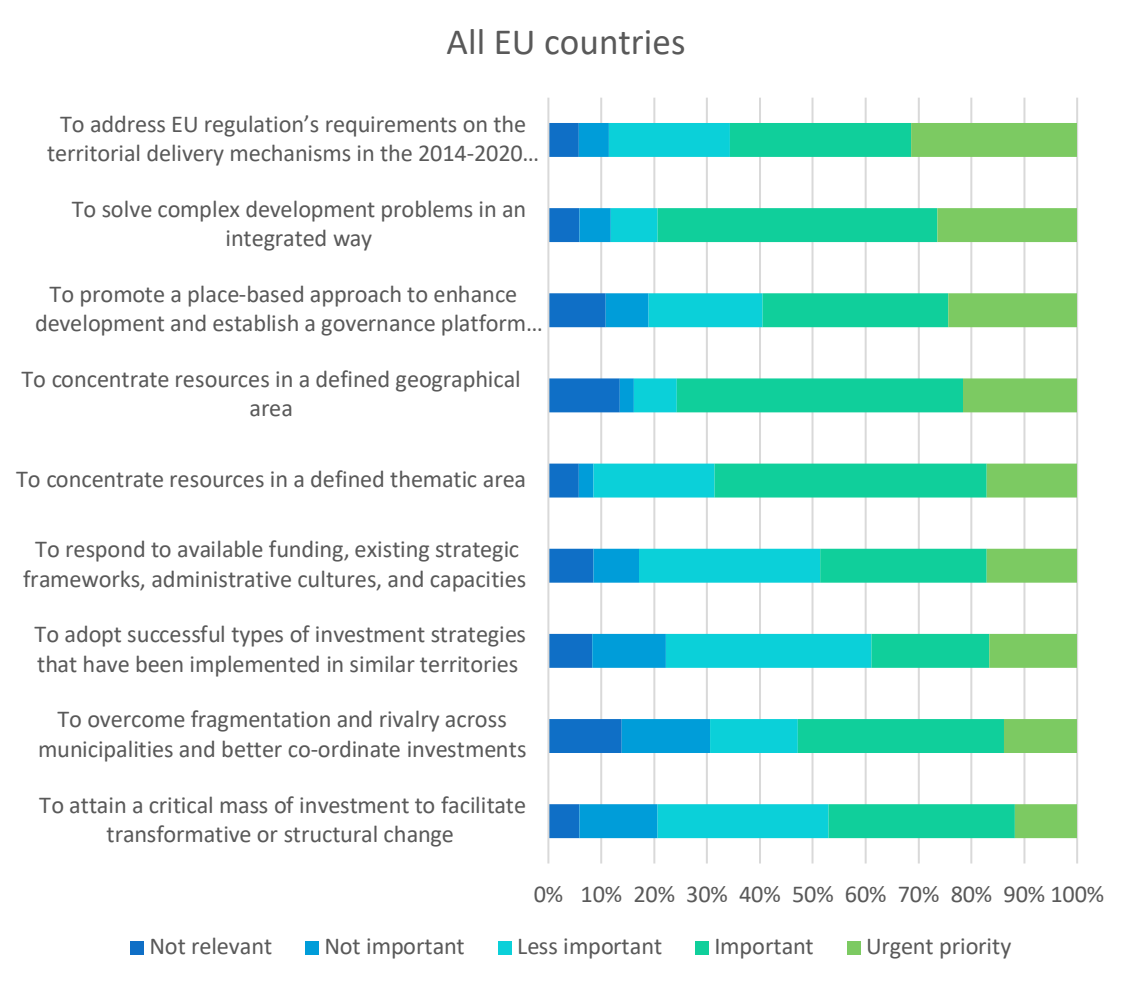
The survey of MAs and territorial stakeholders confirmed this finding., Two-thirds of respondents highlighted the need to fulfil EU regulatory requirements as a rationale rather than strategic or operational benefits associated with use of TDMs. It should be noted that rationales related to the promotion of a place-based approach to enhance development and establish a governance platform to address specific challenges, overcoming the fragmentation and improving the co-ordination of investments were also mentioned by more than half of the respondents (see Figure 17).

Figure 17: Why did you choose to invest ESIF funding using TDMs (SUD ITI, SUD OP, SUD PrAx, non-SUD ITI, CLLD)?

[62] Churski P (2020) *Ewaluacja Strategii Zintegrowanych Inwestycji Terytorialnych dla rozwoju Aglomeracji Kalisko-Ostrowskiej;* Estep (2018) 2014-2020 *Assessment of progress in the implementation of EU funds for integrated territorial development*, report to Lithuanian Ministry of the Interior.

[63] Medeiros E and van der Zwet A (2020) Sustainable and integrated urban planning and governance in metropolitan and medium-sized cities. Sustainability, 12(15), 5976*;* Technopolis Group (2022) *Évaluation de la contribution des axes 3 "Intelligence territoriale", 4 'Transition vers une Wallonie bas-carbone" et 5 "Développement urbain intégré" à la réalisation des objectifs fixés dans le PO FEDER 2014-2020 "Wallonie-2020.EU*". Final Report.

[64] See, for instance, ESTEP (2018) *op. cit.*; IBRD/World Bank (2020) *op. cit.*



Source: TDM survey carried out by the project team, N=37.

Nevertheless, case study interviews revealed that programme authorities and territorial strategy holders often identified intervention logics and rationales for TDM use even if these were not articulated clearly in the strategies themselves. Academic and policy literatures have developed typologies that split the territorial policy-design logic at different scales and identify representative examples of place-based measures.[65] There is correspondence between these categorisations and the territorial typology used by the European Commission JRC to map CP-funded TDMs.[66] Interviews with programme authorities and territorial strategy holders during case study research showed that there were territorial rationales for using TDMs in different types of place (Table 15).

Table 15: Types of territory and intervention logics

Territorial type	Definition and general intervention logic	Examples
Area within city/town (district/ neighbourhood)	Intervention logic is to focus resources in a narrowly defined area and to solve territorially concentrated and complex development problems in integrated ways.	Urban CLLD focus on marginalised communities within cities (e.g. Romania). SUD ITI integrates social and economic development support

[65] See for example: Taylor M, Buckly E and Hennessy C (2017) *Historical review of place based approaches*. Institute for Voluntary Action Research: London, UK; McCann P et al. (2012) 'Some practical elements associated with the design of an integrated and territorial place-based approach to EU CP'. Crescenzi R and Percoco M (Eds.), *Geography, Institutions and Regional Economic Performance* (pp. 95-118), (Advances in Spatial Science), Springer Berlin; European Union (2020) *The New Leipzig Charter. The Transformative Power of Cities for the Common Good*; EU2020.de.

[66] See https://urban.jrc.ec.europa.eu/strat-board/?lng=en

		in deprived areas (e.g. Netherlands).
City, town (entire administrative unit of a city, town)	Logic for using TDM based on potential to address interdependencies and interrelationships within a single administrative unit through territorial and multi-sector integration. Depending on settlement size, can concern supporting city status as national/regional growth pole or overcoming internal structural problems.	SUD OP Prague selected to reflect city status as national development driver. Cyprus PrAx strategies facilitate focus on degradation of the living environment in cities.
Functional urban area	Logic based on pursuit of integrated policy governance to overcome fragmentation and rivalry in investments across municipalities and to coordinate infrastructure and softer measures. Important for MS where inter-municipal cooperation structures were weak or absent.	Hradec-Pardubice SUD ITI in Czechia selected to strengthen functional linkages between the two FUA urban cores. SUD PrAx in South-West Metropolitan Area of Tenerife based on flagship project that covered cross-municipal area.
Regional/ polycentric area	Logic often focussing on improving integration and responsiveness of local systems and services across dispersed settlements, inter-municipal cooperation, supporting rural-urban linkages, sustainability of shared natural resources and cultural heritage.	ITI Danube Delta and protection of the unique deltaic ecosystem. ITI Azul strengthening coastal connections and links to fishery industry and/or the blue economy.

Source: own elaboration.

Most MS chose CLLD strategies to address local development needs of areas within a city or town although SUD ITI and SUD PrAx were also used. Here, the intervention logic was frequently based on the identification of significant development issues that were rooted in the characteristics of specific districts and their communities and that the TDM could be used to territorially concentrate investment in neighbourhood revitalisation, community development and building local capacity to participate in the design and implementation of development initiatives. The South Rotterdam strategy emphasised the scope for SUD ITI to integrate investment in social inclusion and economic development in a deprived part of the city. In Romania, urban CLLDs also covered comparatively small areas. In Caracal, the CLLD strategy focused interventions in two deprived districts where there are marginalised groups living in poor quality housing.

The entirety of cities and towns are targeted by all TDM types and the intervention logic varied according to settlement size. Larger cities covered in the research often looked to TDMs to help define or strengthen their status as nationally or regionally important drivers of development based on concentrations of skilled labour, production, knowledge and innovation. This, for example, was the key rational for Prague SUD OP, where a basic challenge was ensuring the capital city could fulfil its special status as a regional and national growth pole. The city-wide focus provided by SUD OP facilitated addressing weaknesses in the innovative environment and lack of cooperation between the city's public administration, research organisations and businesses, needed to support growth at the national level.[67] In smaller cities and towns, a rationale oriented to addressing decline in economic bases and competitiveness, depopulation due to outmigration, ageing trends and degradation of the living environment.[68] Several TDMs identified the need to better leverage their economic assets, revitalise the urban environment, and strengthen capacity to provide services. In Cyprus, analysis of the strategies for SUD PrAx revealed a rationale based on addressing territorial challenges related to the negative impact of intensive land use, weaknesses in spatial planning,

[67] Naviga (2017) *Ongoing evaluation of Operational Programme Prague - the growth pole of the Czech Republic Final report on evaluation tasks 1 and 2, report to Capital City Prague.*

[68] Medeiros E and van der Zwet A (2020) *op. cit.*

insufficient green spaces, and limited protection of the cultural/natural assets on quality of life in the city.

FUAs and metropolitan areas were more often covered by SUD ITI, although other instruments such as SUD OP and SUD PrAx are also applied in this type of territory. Here the logic for intervention for using a TDM was often to address the mismatch between functional socio-economic linkages (e.g. based on labour markets) and a fragmented system of policymaking across municipal authorities. In such cases, the use of the TDM was frequently based on strengthening strategic governance, developing and implementing joint spatial and socio-economic strategies and projects that cover the entire functional area in order to encourage functional integration and enhance sustainable socio-economic development. Particularly in CEE MS, intervention logics based around structural challenges such as negative natural population change, negative net migration and mismatch of labour supply with the needs of the labour market have been most prominent.[69] The SUD ITI strategy in Hradec-Pardubice stated that the logic of using the instrument was to strengthen functional linkages between the two FUA cores – Hradec Králové and Pardubice – supporting a unique agglomeration in the Czech context. Similarly, in the case of South-West Metropolitan Area of Tenerife, a specific development project regarding a derelict gravel quarry (called Montaña de Taco) exactly on the border and hence involving two municipalities was considered by interviewed strategy-holders to be the cornerstone of the SUD PrAx strategy for South-West Metropolitan Area of Tenerife.

Though predominantly rural/polycentric areas were targeted through CLLD strategies, a number of MS also used non-SUD ITIs and, in some cases, SUD ITIs were also implemented in this type of territory. In this context, TDMs offered the chance to link CP investment across larger territories, improving sustainable transport and removing bottlenecks in key network infrastructures, strengthening urban-rural linkages and bringing together local authorities with shared needs or potentials based on common geographical features. In the Danube Delta, the region was chosen to pilot the ITI approach because of its specific territorial challenges, while addressing barriers in accessing EU funding (see Box 5) Azul ITI. The latter depended particularly on the Atlantic Strategy and how the territory would be connected to the Atlantic Sea, or in case of lack of a direct link to the coast, how the territory was linked to the fishery industry and/or the blue economy.

Box 5: Rationale for establishing Danube Delta ITI

The decision to apply the ITI mechanism in the Danube Delta was taken at a national level with the intention of piloting this new instrument in an area with specific territorial challenges. The Danube Delta area was chosen because of its specific geographic (peripherality, low accessibility), demographic (population decline), infrastructural (decaying infrastructure), and environmental challenges (need to protect the unique deltaic ecosystem). In addition, a large part of the ITI territory coincides with the Danube Delta Biosphere Reserve. In the past it has been difficult to employ the traditional ESIF instruments to support that reserve due to the stringent environmental requirements governing any intervention within this ecologically valuable area. The complex and time-consuming approval process, significantly longer than for other parts of Romanian territory, hindered local authorities' ability to acquire funding from national ESIF funding calls. The Danube Delta ITI was also envisaged as a means to address these challenges and broaden the access to EU funding for the local authorities in this area.

Source: Case study research.

The scope for TDM strategies to respond to specific territorial needs and potentials was highlighted as a key benefit by strategy-holders and valued by

[69] Stronkowski P et al. (2021) *Evaluation of the effectiveness, efficiency and effect of the Operational Program Effective human resources 2014-2020 - Group 2: Evaluation of Priority axis 2 "Social inclusion"*

beneficiaries. The reviewed literature confirmed the importance attached by strategy holders and beneficiaries to TDM coverage of their specific local needs. In the case of SUD ITI, evaluations (e.g. in PL) indicated that the process of setting up a new strategic territorial framework as part of the instrument was particularly effective in 'territorialising' development policy and developing a comprehensive response to local problems, especially in FUAs.[70] In areas using non-SUD ITI, benefits were observed in the articulation of actors' views on the ground.[71] In Portugal, for instance, 95% of the intermunicipal community and metropolitan area bodies responding to a survey considered the TDM to have made a positive contribution in bringing EU funding opportunities closer to local beneficiaries and 85% referred to a positive contribution in responding to the needs of the territory. Similar findings were noted by urban areas applying CLLD, where the strategies were often the first type of integrated strategy at such a comparatively small territorial level.[72] The strong bottom-up character of CLLD, with calls for proposals developed locally and initiatives designed by LAGs and local communities ensured a guiding role of local needs and interests in the selection of projects.[73] LAGs made an important contribution in bringing CP funding closer to potential beneficiaries at the local level, to higher participation of local actors in steering investment, to the promotion of synergies between beneficiaries and to the ability to adjust actions to the needs of the territory.[74] Under SUD PrAx in BG, the relevance of strategies was particularly visible among citizens in thematic areas that have direct impact on their life such as the quality of the urban environment, access to childcare facilities, etc.

Programme-level and territorial interviewees in all strategies selected for case study research noted the value of the territorial needs analysis in informing priorities and strengthening strategic planning. The process included the analysis of coherence with existing strategies (as noted above), especially local development strategies where these existed (e.g. Lublin, Rotterdam). Inputs from a range of local stakeholders, as also described above, was also highlighted by territorial stakeholders leading the drafting process. The value of territorial strategies in comparison to 'mainstream' CP programmes in terms of responsiveness to local needs was highlighted by interviewed beneficiaries across TDM types (see Section 5.4 and Box 21).

There are links between the range and type of thematic headings integrated in TDMs and the type of territory covered. A review of programme and strategy documentation and more in-depth case study research revealed a diversity of type and number of integrated themes, in keeping with the logic of place-specific instruments. SUD ITI strategies covering large FUAs (for example in Czechia and Poland) included a broad thematic scope, integrating a range of themes under the heading of SUD. In this context, strategies aimed to bring together low carbon measures (improvement of energy efficiency and sustainable urban transport) and support to SMEs, the provision of local services and infrastructure and social inclusion. Transportation issues are prominent in actions in this context for example: integrating construction/reconstruction of bus, trolleybus and tram networks with the purchase of low-emission rolling stock; or construction/reconstruction of the necessary infrastructure for urban transport, including intermodal transfer stations etc.

[70] Polish Ministry of Regional Development (2022) *Annual Regional Report 2021: National Strategy of Regional Development 2030.*
[71] IBD/World Bank (2020) *op. cit.*
[72] ISCTE (2022) *Evaluation of the operationalisation of territorial instruments in Portugal: Final Report*; EDATER (2020) *Cross-sectional evaluation of the integrated territorial approaches supported by the ESIF in Brittany: Assessment and prospects*.
[73] See for instance van Leeuwen C et al. (2020) *op. cit.*
[74] ISCTE (2022) *op. cit.*

TDMs applied at a smaller territorial scope (e.g. SUD ITIs based on smaller agglomerations or single cities) focused on a narrower selection of specific priorities (as evidenced in Italy and the Netherlands). In the Italian city of Ancona, for instance, the SUD ITI planned actions prioritised the development of a more integrated approach to the promotion of the city as a centre for business investment and tourism, through combining investment in cultural heritage, integrated energy saving projects in public buildings and improvement of digital services. Similarly, SUD ITI actions in NL emphasised the value of integrating a limited set of themes in deprived areas of cities, drawing on ESF and ERDF. Thus, TDMs supported the territorial dimension both by integrating a range of sectoral issues in a given place or, alternatively, by concentrating on a narrow range of themes that had specific importance for a territory.[75]

Other patterns in the selection and integration of themes were linked to the regional categorisation (MDR, LDR and Transition). Investment under SUD PrAx in LDR emphasised actions related to the shift to low-carbon economy and sustainable environment and also the promotion of sustainable employment. Integration of objectives aimed at the strengthening of development of Research, Technological Development and Innovation, information and communications technology and support to SMEs were more prominent in MDR and Transition regions. In cities and districts supported under SUD PrAx, measures targeted improvements in the urban environment and provision of services to enhance quality of life, either in general terms or among particular social groups/neighbourhoods (BG, CY, IT, PT). Measures targeting revitalisation/renovation of urban spaces were often combined with sustainability and social inclusion measures. This is particularly relevant in MS with significant LDR coverage. In MDR, such as in SE or NL, social inclusion measures were integrated with innovation promotion or support to the development of small and medium-sized companies.[76] In Malmö and Skåne-Blekinge (Sweden), the thematic integration was pursued by ensuring that sectoral measures incorporate a social perspective, e.g. making better use of public space with a social sustainability focus, promoting innovation including promotion of entrepreneurship among new arrivals and foreign born citizens, and establishing living labs in areas characterized by social sustainability challenges.[77]

(ii) Which factors facilitated or impeded achieving these results?

The weakness or absence of an explicit intervention logic in strategies was often due to the fact that the decision to use a TDM was taken at a higher level, particularly for SUD strategies funded under ERDF Article 7. The choice to implement a TDM was frequently driven by the need to meet regulatory requirements and guidelines issued from outside of the territory rather than place-based theories of change. Although understandable, this meant that the idealised place-based process of identifying needs and then selecting investment sources to best address them was reversed. This was particularly the case for SUD strategies funded under ERDF Article 7 where regulation required that the principles for identifying urban areas for SUD strategies were set in Partnership Agreements at national level. In all the SUD ITI case studies covered, the choice of SUD ITI mechanism was made at national or programme levels. Similarly, according to interviewees from across the selected SUD PrAx strategies, compliance with higher level rules and access to additional funding contributed substantially to the decision to use the instrument. In Tartu, for instance, MA and IB interviewees noted that use of PrAx was guided by the need to meet the European Commission's minimum requirements for territorial strategies.

[75] Isola F et al. (2017) 'Towards a regional urban agenda: approaches and tools' *Regional Studies, Regional Science*, 2017 vol. 4, no. 1, 181-188.
[76] Swedish Agency for Economic and Regional Growth (2019) *op. cit.*
[77] WSP Sweden AB (2019) Evaluation of sustainable urban development in the regional fund; Tillväxtverket (2019) Evaluation of sustainable urban development under ERDF. Final Report.

Pragmatic intervention logics for the selection of TDMs were also evident, notably to utilise existing experience and capacities. Most non-SUD ITI strategies covered in case study research saw the instrument as an opportunity to implement preestablished strategies and frameworks, especially in cases with clearly defined regional boundaries. An example is Mar Menor ITI, where the decision to push for the strategy was relatively straightforward given that it built on a pre-existing territorial strategy and existing participatory processes, within well-defined geographical boundaries. For CLLDs, previous positive experience with LEADER in the 2007-13 period was one of the most important factors in the rationale for the adoption of CLLD. This included both the existence of effective implementation structures and experienced teams that had a desire to continue. Past experience was also important in the urban cases. In Romania, the rural LAGs surrounding Caracal served as models for transferring the CLLD mechanism into the urban context. In the case of ADREPES Urbano (in Portugal), the association carrying out LAG tasks had implemented LEADER and Fisheries local development strategies in previous programme periods, which made it easier to integrate urban CLLD into the overall multi-Fund CLLD framework. Similarly, SUD OPs in Prague, Brussels and Stockholm, represented a continuation of previous regional OPs at the same territorial level. In these cases, positive experiences in 2007-13 and the prospect of building on existing programme management capacities played an important role in the decision. The rationale behind the Brussels OP was also partly driven by the institutional organisation of Belgium, where the national level has no competence in CP. This meant that a national urban OP, as in Italy, was not possible. Other TDMs were not considered realistic options by policymakers either. An ITI in a functional urban area around Brussels encompassing parts of the other Belgian Regions of Flanders or Wallonia was not possible for political reasons.

The value of TDM strategies in terms of their responsiveness to local contexts was challenged by the need to simultaneously ensure eligibility of funding from OP priorities and measures. This tension stemmed from the need for TDMs to contribute to the indicators and targets of designated priorities and measures targeted in the OPs, which did not always match closely the needs and ideas of local actors. In some cases, strategies had a tendency to focus on topics for which OP funding could be attained even if these did not fully align with locally identified needs.[78] Article 4 ERDF and Article 4 ESF regulations on thematic concentration created specific challenges in this respect. Particularly for TDMs in MDR, the thematic concentration requirement (including a focus on low carbon agenda) was perceived by strategy-holders to have impeded the scope for strategies to respond to locally identified issues.[79] In Brussels SUD OP, the interviewed territorial stakeholder considered that obligatory thematic concentration forced support for themes that were more related to competitiveness than social inclusion. In Prague SUD OP, the MA noted that it was not possible to implement some planned local regeneration or revitalisation measures, due in part to its status as a MDR. Education, innovation or non-capital investment projects financed by the ESF were prioritised instead.

The extent to which TDM responsiveness to local needs was constrained by OP priorities also varied according to the combination and type of programmes supporting the strategy. A clear illustration comes from a comparison of Rotterdam and Hradec-Pardubice SUD ITI case studies. In Rotterdam, the prioritisation of integrating support for education and business in deprived districts matched available support coming from priorities in the national ESF OP and the regional ERDF OP. In contrast, while the needs analysis in Hradec-Pardubice also highlighted social needs that could be addressed via ESF, these priorities were not included in the strategy as the

[78] EACE (2021) *op. cit.*
[79] Ferry M et al. (2018) *op. cit*.

ESF OP was not participating and eligible funding would not have been available. Top-down and bottom-up tensions in deciding strategic priorities were alleviated where CP architectures included regional OPs, as there was a stronger likelihood of achieving consensus on territorial needs. In Lublin SUD ITI, the selection of objectives and priorities was set by higher-level documents but cooperation between the IB and the regional-level MA helped ensure territorial specifics were accommodated alongside regional OP priorities and the emphasis attached to sustainable urban mobility needs by municipalities in the FUA was reflected in the strategy. The overall thematic priorities of OP Metro were set in a top-down approach at national level, but the MA ensured participatory procedures at the city level in order to strengthen responsiveness to city-level needs. The OP Metro MA identified the various areas of intervention in advance and then entrusted them to the cities. Within the wider thematic parameters set at the national level, each of the 14 cities developed an Operational Plan, indicating their intervention strategy and the projects contributing to it.

Characteristics of specific TDM types had an influence on the scope to integrate thematic objectives and investment priorities at strategy level. In comparison to ITI, PrAx provides less scope for thematic diversity and cross sectoral integration. ITI (SUD and non-SUD) had greater scope to draw together different themes and priorities in strategies than PrAx which was 'housed' in a specific OP priority dedicated to SUD. SUD PrAx could be multi-Fund and multi-thematic but there was no scope to draw on other programmes or priorities. The range of fields eligible for support depended on the scope of the specific OP Priority Axis which could be applied across urban areas with varied needs and potentials, limiting the place-based character of the instrument.[80] Support under CLLD was programmed under one specific investment priority but there was scope to address a range of themes. Moreover, the addition of CP funding (both ERDF and ESF) for CLLD allowed LAGs that previously implemented only LEADER to include a broader range of themes relevant to their local needs and to supplement the EAFRD funding. In Austria, the opening up of LEADER to ERDF and ESF has been instrumental in anchoring new topics in local-level development, such as climate change mitigation and adaptation, urban-rural cooperation, innovation in the energy sector and SMEs.[81] In Saxony-Anhalt, the addition of the ESF was felt to be particularly helpful, providing funding for needs that could not have been address by the EAFRD alone.[82]

4.2.4. Monitoring and evaluation frameworks to review progress

TDMs are part of a CP framework that in 2014-20 placed substantial emphasis on the results-orientation of investment. As part of this, MS authorities were tasked with setting up a monitoring system to assess performance by tracking progression towards established target values in relation to output and result indicators. In this way, TDMs can contribute to strategic territorial planning through the development of more robust monitoring and evaluation systems in different territories, generating data and knowledge to inform revisions of existing strategies and the preparation of new ones. Monitoring and evaluation of TDMs also strengthens transparency and accountability, communicating and explaining the results of TDM investments to policy practitioners, stakeholders and citizens.[83]

The key assessment criteria for this component of Pathway 1 are:

[80] Kriss P (2020) *op. cit*.
[81] Stampfer C (2020) *CLLD Multi-Fund Approach – Implementation of EU Regional Development in Tyrol*, CLLD Network webinar, 8/6/2020.
[82] Scholz F et al (2020) *op. cit.*
[83] Pertoldi M et al. (2022) *op. cit.*

Assessment criteria

Criterion	Assessment
Monitoring system	Dedicated monitoring system and set of indicators and targets that are specific to TDM strategy.
Evaluation arrangements	Evaluation plan that includes studies dedicated to TDM strategy.

(i) Synthesis of evaluation findings: what was achieved?

Although the value of developing dedicated monitoring systems and indicators for TDMs was recognised by strategy-holders, evidence from the review of academic and policy literatures and case study research underlined the substantial difficulties encountered in achieving this. Commission guidance for ERDF Article 7 strategies noted that operations in TDMs had to be linked to the objectives of the programme from which the funds derived. The guidance also noted that strategies could express the objectives of the ITI through additional result indicators, but this was not a regulatory requirement.[84]

Territorial strategy holders across the discussion groups during the research seminar noted challenges in developing monitoring systems and indicator sets for TDM strategies. Strategy-level monitoring involved a range of tasks: setting up robust monitoring systems and procedures; reconciling functional/administrative boundaries for identifying indicators and data sources; capturing integrated rather than sector specific effects; and measuring the contribution to particular OPs as well as the strategies themselves. Where TDMs integrate different CP funds, strategy activities also had to be put into the architecture of monitoring systems designed around the requirements of separate funds (ERDF and ESF). In some cases, there was a lack of specific indicators for city-level monitoring due to gaps in data and weaknesses in local statistical systems (e.g. Portugal). In other cases, although extensive quantitative indicators were available, some important results of TDMs were challenging to measure, for instance related to social impacts and institutional capacity (e.g. in Belgium and Sweden). Reconciling sectoral or thematic programme indicator targets with place-based needs was often a challenge for TDMs (e.g. for SUD ITI in Czechia).

Given these challenges, there was a clear tendency for TDMs to base monitoring on programme rather than strategy level indicators and systems. Case study research indicates that this approach was used across TDM types. In Lublin SUD ITI, strategy indicators almost exclusively drew only on regional OP indicators. SUD PrAx strategies were required by regulation to make arrangements for monitoring progress towards target priority and programme level output and result indicators. Monitoring took place as part of the broader OP and priority monitoring framework and OP-level indicators were used to monitor the progress of SUD PrAx operations against set milestones and targets and report on the achievements in annual implementation reports (e.g. in Tartu, Rosignano Marittimo, Tenerife). This risked the visibility of the strategy as a 'stand-alone' initiative rather than an adjunct of the programme. Similarly, SUD OPs as programmes had specific requirements for monitoring and evaluation, yet there was a tendency to consider the SUD OP not as a territorial instrument but more as a 'normal' programme and to monitor and evaluate its progress from that perspective. This constrained the impact of the instrument in strengthening strategic territorial planning. In the Brussels OP there are no indicators to capture integrated effects, for instance covering the support of the urban redevelopment zones (ZRUs). Rather, the output indicators are sectoral, linked to the TOs. In practice, evaluations have followed the logic of the programme axes which are thematic. In Stockholm, there were no specific

[84] COM (2016) *op. cit.*, p. 19.

indicators that capture specific aspects of SUD. This was the case not only in Stockholm OP, but also in the other Swedish models based on ITI and PrAx where SUD projects reported against the same indicators as other projects.[85]

Analysis of output and result indicators at programme level shows that there was a limited number that monitored the specific implementation of TDMs. However, some MS and regions used common indicators across the country (e.g. Portugal) or sectoral output indicators to monitor the specific progress and effectiveness of TDM implementation. Most examples refer to output indicators, with the exception of the multi-regional ERDF OP in Spain (Table 16).

Table 16: Examples of programme-level output and result indicators for TDMs[86]

MS	OP	Programme-specific indicator
CZ	Prague Growth Pole (ERDF/ESF)	Output indicator - number of passengers of Prague integrated transport (only within the city)
CZ	Prague Growth Pole (ERDF/ESF)	Output indicator - number of supported facilities within community and integration activities
DE	North Rhine-Westphalia (ERDF)	Output indicator - number of municipalities with integrated concepts to reduce GHG emissions
DE	North Rhine-Westphalia (ERDF)	Output indicator - number of integrated action plans with funded projects
DE	Rhineland-Palatinate (ERDF)	Output indicator - number of actions based on integrated strategies
DE	Saxony-Anhalt (ERDF)	Output indicator - implementation projects of integrated urban development concepts
DE	Berlin (ERDF)	Output indicator - number of beneficiaries in integrated urban development projects
DE	Brandenburg (ERDF)	Output indicator - number of integrated, sustainable and accessible mobility concepts in cities, urban regions and their rural surroundings
ES	Multi-regional Spain (ERDF)	Output indicator - Number of Sustainable Urban Mobility Plans from which actions co-financed with the FEDER of integrated urban strategies arise
ES	Multi-regional Spain (ERDF)	Result indicator - number of trips in urban public transport in cities that have selected integrated urban development strategies
ES	Multi-regional Spain (ERDF)	Result indicator - final energy consumption in the building sector and in infrastructures and public services in cities that have selected integrated urban development strategies
ES	Multi-regional Spain (ERDF)	Result indicator - number of visitors in cities that have selected integrated urban development strategies
ES	Multi-regional Spain (ERDF)	Result indicator - number of days a year in which the admissible air quality limits are exceeded, in cities that have approved integrated urban development strategies

[85] https://tillvaxtverket.se/download/18.6855bfcf184896002ffa5e/1668765719424/H%C3%A5llbar%20stadsutveckling.pdf

ES	Multi-regional Spain (ERDF)	Result indicator - rehabilitated urban land surface in cities that have approved integrated urban development strategies
ES	Multi-regional Spain (ERDF)	Result indicator - People benefited by physical, economic and social regeneration operations of the urban environment, included in Projects belonging to Integrated Urban Strategies
HU	Human Resources Development (ESF/ERDF)	Result indicator - Number of social rental apartments created or renovated in an integrated environment
PT	North, Centre, Alentejo, Azores, Lisbon and Algarve (all ERDF/ESF)	Result indicator - Increase in the degree of satisfaction of residents who live in areas with integrated urban development strategies

Source: own elaboration based on desk research.

However, the dominance of programme-level indicators risked undermining strategic territorial planning and created the perception of strategies as vehicles to absorb programme funding. Case study interviews and discussion during focus groups across TDMs highlighted that reliance on OP indicators was seen by strategy-holders as a deficiency as it meant that the added value of the strategy in terms of territorial integration and cooperation was not fully captured. Programme-level indicators were seen as generic, potentially missing place-specific results and impacts.

Some strategy-holders took steps to add strategy-specific result indicators, drawing on existing sources or external support. This generated new data and also created strategic capacities in the territories concerned. The Rijeka SUD ITI included local level indicators, for example related to the participation of the business community in the generation of projects, which was a key priority. This entailed extra administrative effort but moved monitoring beyond formal compliance and built strategic capacity (e.g. new monitoring posts in the city administration). In Piraeus, the IB in the city authority used the regional OP monitoring system and its indicators and targets, acting as a 'mini-MA' but it also developed another 25 non-regional OP indicators (with support from the National Coordination Authority). The Danube Delta and Utena non-SUD ITIs also had a dedicated monitoring framework with indicators and targets. In Czechia, the process of monitoring of ITI was part of the construction of a comprehensive, multi-level CP monitoring system (Box 6).

Box 6: Monitoring SUD ITI in Czechia

In Czechia, methodological guidance was developed for CP monitoring in the 2014-20 period that included the implementation of ITI and the use of indicators. A National Code of Indicators for 2014-20 was developed and a single electronic central monitoring system (MS2014+) was designed for all OPs, allows tracking of individual integrated projects implemented under ITIs as well as the integrated instruments themselves. One of the relevant MAs (Ministry of Regional Development) monitors the progress of each ITI through this system but in addition set its own monitoring approach to analyse progress because ITIs were allocated a large proportion of the IROP's funds. It set financial and physical milestones for each ITI as a percentage of compulsory fulfilment in certain years (corresponding to the n+3 rule). In addition, the IB in Pardubice established its own monitoring system in order to properly manage absorption capacity. Potential project applicants for ITI were asked to fill in various information about their project intentions (e.g., abstract, intended OP and specific objective, alignment with the ITI strategy, budget, actors involved, indicators) and to provide regular updates on progress with the preparation of projects/project applications. According to the IB, this tool generated key performance data and informed strategic planning.

Source: Case study research.

Monitoring was among the tasks attributed to LAGs by the CPR (Art. 34 (3)) and this prompted the development of dedicated systems for strategies. As a result of this requirement, all selected CLLD case studies LAGs also had their own sets of indicators and targets specific to their Local Development Strategies, in addition to programme-level monitoring systems. This meant that typically there were indicators at two levels: first, compulsory indicators established by MAs at programme level, which were designed to ensure a link between the LAGs and the programmes; and second, there was a set of strategy-specific indicators for self-assessment. The latter reflect specific measures and actions being implemented in the territory and progress is reported regularly to the MAs. Table 17 provides examples for monitoring approaches in some of the CLLD cases.

Table 17: CLLD monitoring approaches at LAG level

CLLD LAG	Monitoring approach and principles
Pojezierze Brodnickie (PL)	Analysis of the achievement of measurable indicators, including operational monitoring based on direct beneficiary interviews and project visits. There is also monitoring of fund disbursement for individual operations and LAG own activities.
Caracal (RO)	12 specific indicators are included in the CLLD strategy reflecting social inclusion, education, labour market, quality of life and some infrastructure activities. With two exceptions, the indicators lack a T0 value as there was no relevant data available at local level) although they all have target values listed for 2020.
Troyan-Apriltsi-Ugarchin (BG)	Two types of indicators are monitoring through implementation – baseline and result indicators. Qualitative indicators had not been included as these take longer to follow up and are more difficult to track.
Harz (DE)	Dedicated monitoring system has been established for the regular and systematic recording of implementation. It is both outcome- and process-oriented and divided into indicators in several areas including: content and strategy (e.g. number of projects by action and year, financial volume by action and year); process and structure (e.g. number and duration of LAG meetings, participants, number of organised events); and CLLD management (e.g. number of press articles, local media coverage, frequency of LAG newsletters, participants in external events).

Source: Case study research.

Although TDM evaluation studies provided the opportunity to improve strategic planning in territories, this process could only be observed in a limited way. While the Commission recommended carrying out evaluations, strategies frequently included only general descriptions of evaluation arrangements. According to case study interviews, territorial authorities often did not see the need to create specific, in-depth evaluation plans for a strategic document whose operations would be evaluated as part of an OP Priority Axis or as part of horizontal evaluations of all strategies at national level. For example, the CPR 2014-20 regulations stipulated evaluation of each OP priority during the period, including those funding SUD PrAx. However, there was no regulatory requirement for dedicated evaluation of the territorial strategy. Analysis across the six SUD PrAx cases revealed that most relied solely on programme-level or priority-level evaluations (Tartu, Kaposvár) or project specific reports (Rosignano Marittimo). Similarly, SUD OPs are subject to the same evaluation requirements as 'mainstream' programmes, but this did not guarantee assessment in terms of territorial impacts. The regulations for 2014-20 required MAs to carry out evaluations for each OP on the basis of an evaluation plan and with a focus at least once in the period on each OP priority. For example, during the implementation of Prague OP, mid-term evaluations of activities

were carried out according to OP priority axes (e.g. social entrepreneurship, business support) rather than integrated territorial measures.

CLLD was again an exception among TDMs as the Common Provision Regulation mandated that each LAG carried out specific evaluation activities linked to the CLLD strategy.[87] For this purpose, LAGs were required to include in their CLLD strategy a description of their evaluation arrangements. All the CLLD case studies had dedicated evaluation plans and some developed comprehensive arrangements.

(ii) Which factors facilitated or impeded achieving these results?

Regulatory requirements that were specific to TDM types had a significant influence on approaches to monitoring and evaluation. The fact that no specific regulations for monitoring and evaluation were put in place for TDM strategies provided flexibility for programme and territorial authorities. However, this meant that monitoring and evaluation could take a broader view based at programme level, limiting the scope for TDM implementation strengthen monitoring and evaluation systems and generation of data and knowledge in different territories. ERDF Article 7 did not include specific monitoring or evaluation arrangements for SUD ITI strategies. Although regulations required evaluation of SUD OPs and SUD PrAx, this did not guarantee evaluation from a TDM strategy perspective. On the other hand, CLLD strategies were required by regulation to carry out their own monitoring and evaluation processes.

Existing capacities were also an important factor in determining the extent to which TDMs were evaluated at strategy level and whether this created value. Strategy-level monitoring involved a range of tasks: setting up robust monitoring systems and procedures; reconciling functional/administrative boundaries for identifying indicators and data sources; and capturing integrated rather than sector specific effects. TDMs covered in the case study research varied in terms of the availability of resources to meet these challenges.

Capacity constraints meant that TDM monitoring frequently focused on tracking progress according to indicators set at OP and Priority Axis level.[88] In some cases, weaknesses in monitoring and evaluation cultures and capacities led to limited strategy-level evaluation (e.g. in Slovenj Gradec and Rijeka SUD ITI). In Croatia, national regulations required that regional policy planning documents were evaluated during their drafting, implementation, and after their completion. SUD ITI evaluation was in theory to be initiated by the mayor of the core city of the urban area and in the case of Rijeka, for example, a plan was developed. However, according to interviewees, evaluations had not been launched due to weak evaluation capacities and cultures in municipalities across the FUA.

Dedicated monitoring and evaluation arrangements were most evident where there were existing capacities or frameworks to draw on. For instance, out of the six SUD PrAx cases covered in the research, only Gelsenkirchen established a dedicated monitoring system for the strategy. According to interviewees, this was facilitated by alignment with an already sophisticated urban development policy landscape (including indicator sets), leveraging the opportunities presented by SUD PrAx to enhance strategic planning and the efficient monitoring of urban initiatives (see Box 7).

Box 7: Monitoring and evaluating SUD PrAx strategy in Gelsenkirchen

[87] Article 34.3 g) of Regulation (EU) No 1303/2013.
[88] Campania Region (2020) *Evaluation of Priority Axis 10 'Sustainable urban development and territorial strategies' of the Campania ERDF OP, 2014-2020*. Thematic Evaluation Report.

A dedicated monitoring system for SUD PrAx strategy was developed in Gelsenkirchen. At its core is an Urban Development Index, which systematically and regularly provides and collates information on the distribution of social situations in the city and its social spaces. At the same time, it acts as an early warning system to recognise problematic developments at an early stage and uncover structural disadvantages.

The Urban Development Index comprises several sub-indices which are formed from the indicators in the Gelsenkirchen indicator catalogue. The catalogue currently consists of 68 indicators from the areas of population, work and social affairs, health, education, housing and the environment. The urban development index comprises nine sub-indices that measure segregation, unemployment, population groups in need of support, housing and living environment conditions, educational disadvantage and health disadvantage.

In Gelsenkirchen, an interim evaluation took place and a final evaluation at the end of the programme period took place for all projects. At the beginning of the work, an evaluation concept had to be developed with the involvement of an external office in close co-operation with the municipal prevention staff unit.

Source: Case study research.

The level of funding associated with TDMs also had an influence on approaches to evaluation. Minimal arrangements were associated with TDM contexts where funding for the strategy was relatively low. In these cases, the resources to carry out evaluations were limited, and the small number of operations meant that there was little scope to assess integrated effects. In comparison, a much more comprehensive evaluation system was associated with strategies that have significant budgets, are part of relatively complex programme architectures (e.g. involving multiple programmes and combining EU funds) and where territorially integrated investment approaches are new, and the potential added value is high. A notable example was SUD ITI strategies in Czechia where a multi-level evaluation system was put in place, based on indicators of contributing OPs but with other indicators included to cover the territorial dimension and to identify the long-term added value of the strategy.[89]

Table 18 summarises the key achievements in green identified under Pathway 1 in the research and the most important determining factors and constraints in red.

[89] Ferry M and McMaster I (2018) Assessing Integrated Territorial and Urban Strategies European Structural and Investment Funds Journal Volume 6, Issue 1 (2018) pp. 58-67.

Table 18: Pathway 1 - achievements and constraints

Instrument	SUD ITI	SUD PrAx	SUD OP	Non-SUD ITI	CLLD
Drafting strategies	Urban authorities took leading role, improving strategic planning in territory. Strategic capacity built even where authorities relied on external consultancy. Co-production involved interaction between urban authorities. Participation of local communities and citizens constrained by capacity issues, usually basic consultation.	Selected cases exhibited two approaches to drafting strategies: direct drafting by local authorities or outsourcing to consultants. Domestic capacities and regulatory frameworks conditioned role of non-public stakeholders.	Some drew on experience and partnerships from predecessor OP for involvement of partners. Often no explicit participatory approach beyond the standard regulatory requirements of drafting an OP, OP Metro an exception.	Strategies developed in coordination with local actors, ensuring close match to the territory's needs. Challenges in ensuring local 'ownership' where local governments lacked capacity and had to outsource drafting tasks.	LEADER experience important; strategy drafted entirely by the LAG itself; use of a wide range of participatory; inclusion of marginalised groups.
Coherence	Strategies drew on range of strategic documents. Supported coherence with overall development targets of territory. Varied descriptions of linkages, related to availability of other strategies to draw on.	Coherence with urban and regional development documents emphasized. Varied descriptions of linkages, related to availability of other strategies to draw on.	Coherence with domestic city and regional strategies, including S3. Non-aligned timing of CP and domestic policy cycles created some strategic 'mismatch'.	Links to other strategies at multiple levels, strong EU-level orientation in some strategies that covered multi-regional frameworks. Varied descriptions of linkages, related to availability of other strategies to draw on.	Links to both higher level (e.g. district) and lower level (municipalities); strong spatial planning orientation. Limited direct references to EU or national strategies; coherence implicitly ensured via contributing programmes.
Intervention logic and prioritisation of objectives	Intervention logic implied, often addressing gaps in FUA linkages. Strategy holders and beneficiaries valued responsiveness to urban needs. Often weakness in statement of rationale for use of SUD ITI, risked excessive focus on absorption of funding. Constraining influence of responding to programme-level priorities, risking top-down and bottom-up tensions.	Implicit rationale in the selected strategies was based on compliance with higher level decisions and access to funding. Subsuming strategy within a programme structure risked limiting its distinctiveness strategies would have benefited from more explicit descriptions of them.	Rationale often included pragmatic aim to build on experience from predecessor OP (exception OP Metro). Challenging to define SUD. Some identified priorities not eligible due to thematic concentration in MDR regions.	Varied logic and prioritisation across territorial settings but general emphasis on territorial integration of sectoral priorities and integration of EU funding streams to address common needs. Strategies often included objectives related to relevant needs without making explicit the intervention logic and the overarching theory of change for the territory.	Influenced by positive rural experiences in the region; territorial needs reflected in objectives; CLLD made combination of ERDF and ESF at local level easier. Thematic restrictions meant that some spending priorities related to territorial needs could not be included.
Strategy monitoring & evaluation	Examples of strategy-level indicators generating new territorial data and knowledge. Dominance of OP monitoring system risked focus on absorption. Strategy level SUD ITI evaluations limited due to capacity constraints & local data availability. Lack of TDM-level result indicators.	Monitoring & evaluation often solely via OP systems limited identification of integrated, territorial effects. Focus on process evaluations reflects importance of SUD PrAx as an implementation mode. Lack of TDM-level result indicators	Dedicated monitoring and evaluation required for OPs. Tendency to monitor progress against thematic rather than territorial indictors, OP Metro multi-level system is exception.	Some strategies have dedicated monitoring framework. Limited capacities meant struggle to monitor complex projects. Relying on OP or common output indicators leaves gaps in strategy assessment.	Regulations require strategy-level monitoring and evaluation (aided by LEADER experience); Some planned evaluation not carried out due to capacity gaps and implementation delays.

4.3. Pathway 2: Territorially integrated resource allocation

Key findings

TDM strategies have demonstrated their potential to improve CP support for territorial development through their explicit territorial demarcation which sets a place-based framework for CP investment. Regulatory requirement to demarcate areas for ERDF Article 7 and CLLD prompted innovative territorial focus for CP investment.

A combination of national demarcation criteria and local adjustments based on contextual analysis strengthened the scope for investment to support spatial interdependencies in a way that was previously absent. However, strict application of national rules or regulatory gaps or inconsistencies sometimes created challenges in capturing functional relations.

There is substantial evidence of TDMs generating and implementing strategic operations according to a functional, territorial rationale. This been pursued through the generation of large, strategic 'flagship projects' which cluster actions around a key (and very visible) investment; through territorially networked projects implementing the same types of activities in different parts of the territory (particularly prominent in FUAs); and, sequencing of project calls, including under different CP funds, to target specific beneficiaries or locales.

Differences in the regulatory framework for ERDF and ESF and MS programme management architectures limited their integration within TDM operations. Combining funds in a single operation would have meant that financial management had to be done twice (payment forecasts, reports, calculation of commitment targets). In most MS, variation in management and implementation structures and processes for ERDF and ESF funds made integration at operational level extremely difficult.

The absence of an explicit, overarching intervention logic and strategy-specific indicators risked a focus on absorption or redistributive rationales rather than the generation of functionally linked operations. Appraisal of TDM projects according to basic eligibility rather than strategy-specific criteria or a focus on spreading funding across the maximum number of municipalities supported a large number of small projects, limiting critical mass to respond comprehensively to territorial needs.

The choice of project generation and selection mode influenced the scope to produce functionally or territorially integrated operations. Non-competitive project generation and selection modes based on prior discussions between programme authorities, strategy holders and beneficiaries increased the likelihood of strategic, functionally integrated operations. However, this required investment of time and resources and programme authorities had to ensure that beneficiaries remained committed to progressing the TDM after funding was guaranteed.

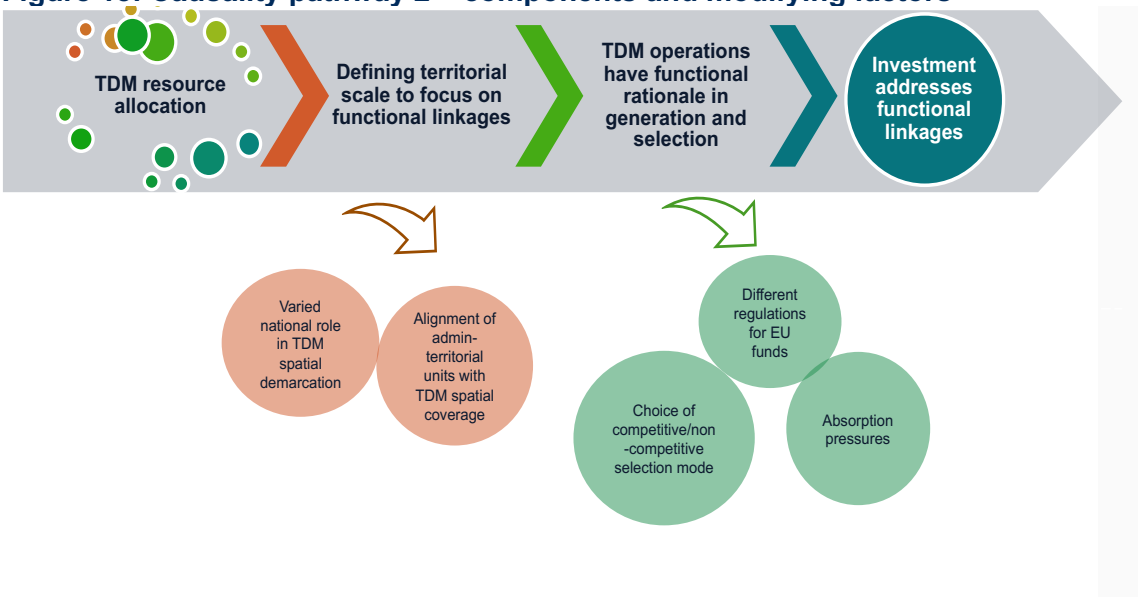
This causality pathway charts how TDMs can be used to strengthen territorial development by targeting the most appropriate spatial or territorial scales. The conceptual thinking underlying the place-based policy approach is reflected in the spatial targeting of investment. It recognises that challenges and resources are unevenly allocated across space and that policies should take into account the socio-economic organisation of space (residential segregation, delineation of school or electoral districts, core-periphery structures, etc.).[90] The boundaries of administrative units often will not correspond to these functional linkages, for instance failing to include entire commuting zones or far exceeding actual functional relations. Emphasis is, thus, placed on policies that follow different types of linkages and flows across and within administrative units (e.g. commuting, migration, provision of public services), addressing mismatches in

[90] Weck S et al. (2021) 'Place-based development and spatial justice', *European Planning Studies*, DOI: 10.1080/09654313.2021.1928038.

labour markets, supporting innovation processes, sustainable mobility etc. Without this functional coverage, there is a risk that policies fail to provide territorially coherent responses to social, economic or environmental issues.

In this context, TDMs have the potential to support territorial development through the explicit territorial focus of these instruments. Article 7 strategies, ITI and CLLD have all applied a strategic, spatial lens to investment. Different types of territory have been supported including: neighbourhoods and districts, administrative units of a city, town or suburb; functional areas (i.e. two or more municipalities that are combined for the sake of the strategy – metropolitan areas, twin cities, city networks, territories that combine urban and rural areas). This pathway has different components where the use of TDMs can contribute to improving the spatial targeting of investment, facilitating CP contribution to the longer-term objective of place-based development. Moreover, the extent to which this pathway leads to improved territorial targeting, and eventually to strengthened territorial development, is conditioned by a range of modifying factors (Figure 18). A review of the literature identified factors under each of these components and these are explored below.

Figure 18: Causality pathway 2 – components and modifying factors



4.3.1. Defining the territorial scale of the TDM strategy

In order to use TDMS, it is necessary to designate the territory in which it will be implemented. Policy makers responsible for TDMs must demarcate a territory for policy action, setting the spatial scale most appropriate for achieving its strategic objectives. The scale of the area of intervention for TDM should be selected to ensure an integrated approach and to maximise impact of investment. The demarcation of a TDM territory may involve both bottom-up and top-down processes, and critical mass is a key issue (i.e. size of the territory covered relative to the funding to deliver the objectives, but also the scope of the partnership involved in delivery). As such, defining an appropriate territorial focus for a strategy is essential. If territorial coverage does not both fit the challenges to be addressed and include the relevant stakeholders, the

successful implementation of the strategy, and longer-term prospects of sustainable territorial development, will be jeopardised.[91]

Key assessment criteria for this component of Pathway 2 are:

Assessment criteria

Criterion	Assessment
Spatial demarcation process	Territorial authorities had bottom-up input in demarcation process.
Functional spatial coverage of TDM	TDM strategies cover functional linkages rather than solely administrative boundaries.

(i) Synthesis of evaluation findings: what was achieved?

TDMs have demonstrated their potential to improve CP support for territorial development through their explicit territorial demarcation. ERDF Article 7 strategies, ITIs and CLLD have all applied a strategic, spatial lens to investment. Different types of territory have been demarcated for TDM support, ranging from specific areas within cities and towns, to FUAs to larger regional spaces. There was no exact correlation between TDM type and territory targeted (although some general patterns can be detected) and the benefits of setting a clear territorial focus through these instruments were recognised across different spaces (Table 19).

Table 19:Territorial demarcation of TDMs – types and benefits

Territorial demarcation	Benefits and examples
Functional Urban Areas	Focusing on strategic connections between key urban centres (SUD ITI Hradec Pardubice) Covering linkages between urban cores and their functionally linked hinterlands (SUD ITI Lublin, SUD PrAx Tartu, SUD OP Metro)
Large territories (incorporating rural, peripheral, polycentric contexts)	Addressing common challenges faced by smaller towns in a rural area (non-SUD ITI Castilla-La Mancha, rural CLLDs in Poland, Bulgaria) Covering territories with shared challenges, including those based on specific geographical features (non-SUD ITI Danube Delta, non-SUD ITI Mar Menor).
Smaller districts, neighbourhoods within cities and towns	Concentrating on pockets of deprivation (urban CLLD Caracal, SUD ITI Rotterdam) Focusing on specific cites as potential drivers of development (SUD PrAx Soria) Micro-zoning to link or balance investment in deprived areas and growth centres (SUD OP Brussels, SUD PrAx Malmö)

Source: own elaboration based on case study research.

TDM actions supporting CP investment based on functional, spatial integration are particularly prominent in SUD strategies targeting FUAs. The regulatory requirement to establish principles for the demarcation of urban areas for SUD strategies

[91] URBACT (2019) *Reflections on citizen participation in Europe's cities*, Lisbon City Lab, January 2019; Isola F et al. (2017) *op. cit.*

created the potential for innovation, introducing a functional dimension to CP investment. ERDF Article 7 required that MS establish in their Partnership Agreements the principles for the selection of urban areas where integrated actions for SUD were to be implemented. Through this, SUD strategies offered the scope to demarcate borders based on more relational rather than politico-administrative criteria. prompting an innovative focus on development processes across core cities and their hinterlands.[92]

- **SUD ITI strategies frequently targeted FUAs, supporting functional relationships between core cities and the municipalities in their hinterlands**.[93] According to a review of evaluation and policy literature, actions supporting functional, spatial integration ware particularly prominent in FUAs in EU13 MS (e.g. in Czechia, Poland and Estonia), prompting an innovative focus for CP investment by cutting across administrative and scalar boundaries.[94] This evidence is supported in the case study of Hradec Pardubice in Czechia, where interviewees from the IB emphasised the importance of connections between the main urban cores of the agglomeration as the strategy included two self-governing regions and their respective regional urban centres. This represented a new level of strategic cooperation between Hradec and Pardubice for the benefit of the FUA.

- **SUD PrAx and SUD OP strategies often also obtained benefits from focussing investment on FUAs.** Estonia's approach, exemplified by the Tartu case study, emphasised strategic demarcation based on urban areas with populations exceeding 50,000. This delineation identified five major urban areas, (including Tartu) and their functionally linked surrounding areas. According to interviewees from the city authority, the strategy did not simply perceive the city region as the sum of its municipal areas but defined it according to functions reflecting urban settlement patterns, commuting areas, employment zones, and residential markets. The SUD OP Metro in Italy aimed to have a strong focus on FUA dynamics. The fact that the metropolitan authorities did not yet have a strong institutional basis diminished the strength of its functional territorial focus. However, based on documentary and interview evidence, Bari's Operational Plan, for example, was co-produced by the IB (the city of Bari) and metropolitan authorities. Thus, even if indirectly, functional linkages between the city and metropolitan scale were strengthened.[95]

TDMs strategies have also demonstrated their value in addressing challenges that require intervention/planning at a large regional or multi-regional scale, incorporating rural, peripheral and polycentric settings. An increasing focus in academic research and regional policies across Europe has been the use of integrated, place-sensitive strategies for areas outside of major cities to strengthen their sustainability and produce more balanced and integrated development. This includes policies strengthening urban-rural linkages (e.g. the Interior Enhancement Programme in Portugal),[96] TDM strategies have used similar rationales in demarcating large territories

[92] Czech Ministry of Regional Development (2020) Experience with ITI / FUA delimitation in the Czech Republic - finding the optimal territorial scale for strategic coverage, presentation, Delft, 20/2/2020.
[93] Feřtrová M (2018) 'Integrated Territorial Investments in the Czech Republic: A New Tool for Metropolitan Areas' *European Structural & Investment Funds Journa*l Volume 6, Issue 1.
[94] Czech Ministry of Regional Development (2020) Experience with ITI / FUA delimitation in the Czech Republic - finding the optimal territorial scale for strategic coverage, presentation, Delft, 20/2/2020.
[95] https://www.espon.eu/sites/default/files/attachments/5%20ESPON%20METRO_CS%20Metropolitan%20City%20of%20Turin.pdf
[96] Laurin F et al (2020) 'The end of the urban-rural dichotomy? Towards a new regional typology for SME performance' *Journal of Rural Studies*, 80, pp. 53-75.

on the basis of specific features (e.g. aggregation of multiple administrative units in rural or peripheral areas, coastal areas, etc.).[97]

- **Challenges and needs in strategies covering larger territories, incorporating smaller towns in rural and peripheral areas, were a particular focus of non-SUD ITIs.** Non-SUD ITIs often focused on smaller towns and cities in the hinterland of large urban centres, addressing issues of outmigration and population ageing through diversification of economic structures, skills and training and improvements to the living environment.[98] For example, the ITI of Castilla-La Mancha targeted the sociodemographic recovery of rural areas through digitisation of the territory, promotion of economic activity and sustainable use of available resources.[99] In other cases, although support of direct functional linkages between places was less apparent than in FUAs, non-SUD ITI strategies covered territories with shared challenges, including those based on specific geographical features. For example, the non-SUD ITI strategy in the Danube Delta covered a bioregion defined by the natural reserve, justifying the territorial demarcation logic.[100] The benefits of this approach were visible in the ITI Mar Menor case study, where a shared natural area (the lagoon) encouraged a comprehensive treatment of the territory beyond municipal or urban-rural divisions, and cooperation between locations whose point of convergence was a functional relationship with the natural area (see Box 8).

- **CLLD strategies implemented in rural areas were strongly influenced by previous arrangements under the LEADER instrument but, in several of the selected case studies, demarcation expanded the territory** covered to support cooperation between local stakeholders in rural areas, strengthen territorial coherence and ensure sufficient critical mass for implementing operations. In Pojezierze Brodnickie (Poland), the coverage of the CLLD strategy increased from 6 to 9 municipalities compared to the Leader equivalent in the previous financial perspective. In Troyan-Apriltsi-Ugarchin (Bulgaria), a third municipality was added for the CLLD in 2014-20, which was considered by the interviewed LAG representative as part of the natural process of development, strengthening and expanding the LAG and building relationships between settlements sharing the same rural territory.

Box 8: Shared geographies as trigger for cooperation in ITI Mar Menor

The Mar Menor ITI exemplifies the potential of developing territorial demarcation strategies around a large-scale geographical element – namely a natural area. Interviewees from MA and from the territory highlighted how a territorial focus on the Mar Menor lagoon, governed by its own legal framework, facilitated consensus across the municipalities to jointly tackle a previously known shared feature with environmental, social and economic implications, rather than engage in a local competition for funding in small-scale projects. This facilitated the distribution of actions and competencies across stakeholders and jurisdictions. Alongside these advantages, the focus on consensually agreed territory and set of problems also facilitated the integration of various actors beyond governments in the strategy. Rather than creating an abstract or contested demarcation, both the location and the issues affecting the lagoon region has been on the agenda of many local stakeholders that had a previous track record in addressing them. While recognising problems, such as bureaucratic hurdles in

[97] Romanian Ministry of European Funds and Projects (2021) *Evaluation Report on Integrated territorial investment governance system - The Danube Delta*.
[98] ESTEP (2018) *op. cit.*
[99] Planning, Coordination and Monitoring Committee of the ITI Castilla-La Mancha (2021) *Third Report Concerning the Land Investment Implementation of the ITI Castile-La Mancha 2014-2020*.
[100] Romanian Ministry of European Funds and Projects (2021) *Evaluation Report on Integrated territorial investment governance system - The Danube Delta*.

combining inputs from different programmes, and lack of alignment between stakeholders with different cultures (such as scientists and regional authorities), interviewees regarded Mar Menor as exemplifying how mobilising an historically relevant, large-scale geographical feature as the core of a strategic programme can support cross-boundary and cross-sector agreement, encouraging a comprehensive approach beyond local competition and conflicts.

Source: Case study research.

Spatial concentration has also been pursued by TDMs, focusing CP resources on specific districts, neighbourhoods or micro-zones within towns and cities. This more granular level of territorial demarcation offered benefits in ensuring that specific local sites or resources are identified and utilized optimally for the development of the area. Applying this territorial lens also facilitated responses to socio-economic disparities by focusing on the needs of underprivileged communities in pockets of deprivation.[101] Micro-zoning also increased the potential to use support to bridge deprived and prosperous neighbourhoods as part of the solution to spatial segregation.[102] Moreover, territorial concentration in smaller areas increased the scope to give individuals and communities more control over economic activity at a localised point, informing CP measures and increasing transparency and accountability.[103]

- **Urban CLLD strategies were notable in being strongly spatially concentrated, often focusing on deprived neighbourhoods**.[104] According to CLLD regulations, the area covered had to be territorially coherent and cover between 10,000 and 150,000 inhabitants (Art. 33 (6)) but within this, CLLD strategies, particularly those covering urban areas, often introduced micro-zoning to target funding to areas most in need. Case studies selected for the research exemplified this demarcation. In Caracal (Romania), the entire town was eligible in principle, but special attention was given to marginalised urban areas (MUAs) designated according to education, health, housing and employment criteria. In ADREPES Urbano (Portugal), CLLD targeted 44 neighbourhoods across 5 municipalities. The call for CLLD strategies in the ERDF/ESF OP did not specify a territorial delimitation but allowed the submission of several strategies for a single urban area. This means that the urban area of Setúbal is covered by two local development strategies and delimitation was undertaken at the level of individual streets in certain areas of the city.

- **Other TDM types also employed micro-zoning to target support on deprived areas, to revitalise specific sites as important drivers of economic development or to target different zones to simultaneously promote economic growth and support deprived areas.** In Spain, all cities were eligible to apply to implement SUD PrAx strategies, irrespective of their size, and some introduced micro-zoning to concentrate resources on specific locales with significant potential to boost urban development. Soria's SUD PrAx strategy illustrates a more concentrated approach, targeting the historical centre 'Intramuros' based on cultural, demographic, and architectural indicators. This focus, while not explicitly addressing functional linkages, demonstrated a commitment to revitalizing an area of significant historical and cultural value rather than broader territorial dynamics. Micro-zoning has also been used by TDM strategies to link interventions in deprived areas with investments in growth

[101] Kah S et al. (2023) *op. cit.*
[102] Costa R et al. (2021) Socio-spatial Disparities in Brussels and its Hinterland. In: van Ham M, Tammaru T, Ubarevičienė R and Janssen H (eds) *Urban Socio-Economic Segregation and Income Inequality. The Urban Book Series*. Springer, Cham. New York.
[103] Kah S et al. (2023) *op. cit.*
[104] Schwartz P et al. (2022) *op. cit.*

areas within cities. Brussels SUD OP defined two types of territorial foci in order to balance investment in deprived neighbourhoods and development areas. SUD PrAx in Skåne-Blekinge OP aimed at creating a 'sustainability bridge' between vulnerable neighbourhoods and more favoured ones in Malmö, based on the rationale that increased sustainability cannot be achieved unilaterally by only addressing geographical areas that are disadvantaged.[105]

(ii) Which factors facilitated or impeded achieving these results?

National-level regulations have influenced the demarcation of TDM territories, demonstrating the potential to either facilitate or impede the process of identifying functional spatial coverage. On the one hand, the demarcation of TDM strategies has been facilitated where national economic development or spatial planning regulations have ensured coherent functional zones or supported specific eligible activities. There is evidence of innovation in the spatial demarcation of SUD ITI strategies with a combination of national top-down rules and local bottom-up inputs addressing flows of people and resources across administrative boundaries (see Box 9).

Box 9: Combining national regulations and local inputs in territorial demarcation: insights from SUD ITI

Several of the SUD ITI case studies covered in the research demarcated new functional areas for CP support based on a combination of overarching national guidelines and regulations with scope for adjustment according to specific territorial contexts.

- In Poland, the delimitation of the FUA was based on criteria set at the national level for a 'regional ITI' but there was flexibility to include additional municipalities recognised as functionally linked to the core city in the region's spatial development plan and CP Regional OP 2014-20. Programme and city authorities successfully argued that one extra municipality be included as it was functionally linked to other parts of the FUA (including as a tourist and recreational base for Lublin city) and was covered in the regional OP and in the Regional Development Strategy
- In Czechia, spatial demarcation also combined top-down regulations and bottom-up input. The Czech Ministry of Regional Development preselected metropolitan areas and agglomerations for SUD ITI strategies, but cities could further define the metropolitan areas to be covered. The Brno SUD ITI case, as presented in the research seminar, made adjustments based on analysis of functional relationships between the core city and the municipalities in its hinterland conducted by an independent expert team. Hradec-Pardubice SUD ITI introduced emphasis on commuting relations between a wide range of municipalities to the central cores of the agglomeration as an additional criterion to adapt the criteria set at national level.
- In Croatia, national regulations and guidelines set out criteria for the inclusion of urban areas in strategies based on spatial continuity and employee migrations to the core city. However, the core cities were tasked with proposing the specific demarcation across municipalities. In Rijeka, an additional criterion on sustainability of traffic and infrastructure systems was included to better capture key development dynamics in the FUA.

Source: Case study research.

However, realising this innovation potential depended on flexibility in how higher levels applied demarcation criteria. There is evidence that regulatory gaps or inconsistencies have created challenges in capturing functional relations in TDM territorial coverage. Drawing a line between areas that are eligible and non-eligible for TDM support is a challenge that can be influenced by national regulations. In some cases, domestic changes in local administrative boundaries have created spatial

[105] Swedish Agency for Economic and Regional Growth (2019) *op. cit.*

discrepancies with TDM territorial demarcation.[106] Some national authorities have introduced strict eligibility requirements for TDM support, with implications for the range of actors who can be involved. In the case of Bulgaria, all cities had to define within their borders specific social, public and economic 'impact zones', which has limited the opportunities for city-wide measures and created certain imbalances within cities. Additionally, regulations allowed for a specific percentage of the funding to be invested outside impact zones to ensure functional connections of the urban area with its hinterland. Evaluation findings, however, reveal that most of these projects did not lead to the creation of functional linkages and rather envisaged parallel investments outside the impact zones.[107] In Lithuania, the requirement that CLLD applicants could only be legal entities whose place of business is located in the area of implementation of the local development strategy has meant that in smaller towns and cities there has been a limited supply of potential project applicants.[108]

The willingness and capacity of local authorities to emphasise functional links in TDM strategies also varied. As highlighted in group discussion at the research seminar, TDM coverage can follow administrative towns or district units as well as functional logics. This was especially the case where associated funding was limited, where there were challenges in administering functional areas and where TDMs wanted to align with existing strategies based around administrative units (e.g. Belgium). In some cases, local authorities took a pragmatic rather than strategic approach to demarcation.

- As noted above, in Czechia, the Ministry of Regional Development allowed flexibility in the SUD ITI demarcation process and some urban authorities set out the largest territory possible with the aim of drawing down maximum funding. Rather than strategic, functional rationale, considerations of administrative efficiency or the impulse for single municipalities to be strategy holders influenced demarcation processes.
- In Greece, urban authorities were given significant autonomy in demarcating territory for SUD ITI coverage. However, the majority of cities, including Piraeus, choose not to collaborate in order to focus investment within their borders and avoid the administrative costs of collaboration across municipalities.

In MS with a large number of small municipalities, covering functional linkages in TDM strategies was more challenging than in countries with larger local government units. This has been the case in accommodating Article 7 requirements in the territorial demarcation of SUD ITIs. The absence of an administrative level covering FUAs has sometimes led to the establishment of several smaller strategies based around individual municipalities, hampering the coverage of functional linkages. For instance, attempts to negotiate one SUD ITI for Porto Metropolitan Area (covering 17 municipalities) were complicated and 17 separate SUD strategies were created.

TDM-specific factors also played a part in the demarcation process. There was no formal national-level selection of the territories for SUD OPs and in three of the four SUD OPs, the programmes continued the framework of predecessor programmes and were set at the same territorial level. This supported continuity and stability but limited the scope to explore new functional linkages. The capital cities of Brussels, Stockholm and Prague had all been separate regional OPs in previous programme periods and there were strong arguments for continuation. For CLLD, according to the CPR (Art. 33), LAGs were tasked with defining their area of operation themselves and including this in their LDS. According to LAG interviewees in the selected case studies, territorial knowledge

[106] L'Institut Paris Region (2021) *op. cit.*
[107] Ecorys (2021) *Evaluation of the implementation of activities for sustainable urban development in Bulgaria*, according to Article 7 of the ERDF Regulation 1301.2013.
[108] BGI (2019) *op. cit.*

from the local level was a contributing but not determining factor and the main starting point in territorial demarcation was administrative boundaries and pre-existing cooperation (e.g. in LEADER).

4.3.2. Integration and spatial targeting of TDM operations

Functional, spatial integration of TDM operations can support territorial development by synchronising and coordinating investment in a parallel or linear manner between entities in TDM territories. Through their explicit spatial focus TDMs offer the opportunity to target and link operations to match strategic, functional linkages. For instance, support of functional urban areas can integrate operations to support sustainable urban mobility across core cities and their hinterlands. Where TDMs focus on districts or neighbourhoods, there are potential benefits to sustainable territorial development to be drawn from integrating operations from different social, economic, environmental policy fields etc.[109]

Key assessment criteria for this component of Pathway 2 are as follows:

Assessment criteria

Criterion	Assessment
Thematic integration of operations	TDM strategy integrates or coordinates operations from different funds (especially ERDF and ESF).
Functional integration of operations	TDM strategy integrates or coordinates operations implemented in different parts of the territory.

(i) Synthesis of evaluation findings: what was achieved?

There is substantial evidence of TDMs adding value in comparison to mainstream CP by generating and implementing strategic operations according to a functional, territorial rationale. TDM strategies have provided a framework to make connections between operations from different programme priorities and funds, territorially clustering investments or increasing local impacts through sequencing operations in a specific locale to increase impacts. Evaluation studies have indicated that projects under TDMs are much more likely to be interlinked with other project(s) than projects supported under individual project calls in 'mainstream' CP.[110] This functional integration has been pursued by programme authorities and strategy holders in different ways: coordinating project calls; linking projects through selection criteria; and involving local stakeholders and beneficiaries from across territories in the preparation of projects.

TDMs have integrated investment through the generation of large, strategic 'flagship projects' which often represent a key (and most visible) investment in the region. This has involved prior negotiation between programme authorities, strategy holders in territories and beneficiaries, allowing for comprehensive preparation of projects in accordance with the TDM strategy, and consultation with a wide range of territorial stakeholders, enabling cooperation between multiple actors. An important insight highlighted in discussions during the research seminar was the benefit of combining the process of developing 'flagship' projects and drafting the territorial strategy itself. This embedded the projects in the strategies, ensuring strong coherence, and also meant that the projects were settled and could be launched early in the programme

[109] Mendez C et al. (2021) Rescaling urban development policy in the EU: the impact of integrated place-based approaches in CP. *Regional Studies*, *55*(6), 1154-1165.
[110] Evaluation Advisory of Central Europe for the Managing Authority of the Integrated Regional Operational Programme, the Ministry of Regional Development (2021): *Ibid.*

period. Functional coordination of CP investment in 'flagship' operations was evident across TDM types:

- **For SUD ITI, the Hradec-Pardubice case study included prominent examples of project generation processes producing a small number of large strategic operations that clustered a range of actions through the TDM mechanism.** The conversion of a Grain Mills Silo in Pardubice into a complex of galleries, school workshops and information centres was realized on the basis of integrated actions combining two specific goals from the Czech Integrated Regional OP (2.4: Increasing the quality and availability of infrastructure for education and lifelong learning and 3.1: More efficient presentation, strengthening the protection and development of cultural heritage).[111] According to interviewees from the IB, this integrated operation is also important for other projects through cooperation between schools in the FUA (FUA links was one of specific criterions introduced by the IB in generating the project) and it has developed into an even more complex and integrated project than was expected at the beginning, bringing together the private, public and educational sectors, and combining several functions.

- **For SUD OP, Brussels was notable in the detailed arrangements it made to strengthen the functional rationale in investing in operations.** As noted above, it demarcated deprived neighbourhoods and development areas and the project selection process introduced 'programming criteria' (based on links to CP or Brussels-level strategies and on contributions to specific priorities and sectors) to distribute funds to different areas of growth and deprivation in the territory.[112] The OP also linked priority sectors (local food markets, media, resources and waste etc.) to the territorial focus areas of the OP e.g. the potential for media in the existing media park, the potential for productive or circular industry in the priority canal area, the need for housing renovation in the deprived areas etc. Due to the combination of priority sectors and areas, multi-faceted 'flagship' projects had strong thematic and spatial integration.

- **Under SUD PrAx, in Rosignano Marittimo (Italy), MA and IB interviewees valued the opportunity to develop project generation and selection criteria that produced large strategic measures made up of inter-linked operations** (e.g. focusing revitalisation of specific, functionally important sites). ERDF funding was primarily considered for large projects for which the extra administrative burden required by ERDF financing is compensated by the additional resources that it releases (see Box 10).

Box 10: Urban innovation flagship project 'PIU WAYS' in Rosignano Marittimo

The urban innovation project 'PIU WAYS: Innovazioni per una Rosignano più inclusiva' of the Municipality of Rosignano Marittimo aimed to redefine the area of Rosignano Solvay, located between the railway line and the Solvay Park. The PIU is made up of recovery and redevelopment interventions that are functionally and spatially connected. The project offered the local community new public spaces for socialising, leisure, sport, creative activities and the promotion of local products. The rethinking of the new road network with soft mobility routes and low environmental impact also contributed to making the area more liveable. Thus, the intervention enhances the accessibility and the social inclusion of citizens. The PIU WAYS has a total eligible cost of €6,381,922.33, with a public contribution of €3,999,803.73 (POR FESR

[111] EACE (2021) *op. cit.*
[112] BDO (2020) *op. cit.*

contribution: ERDF share: 50%; State share: 35%; Region share: 15%). The initiative consists of 6 main, integrated projects:

1. Social Agora': the redevelopment and reconfiguration of the square Piazza della Repubblica as a public space for social aggregation, which becomes the new hub for the local community. The intervention also restores its pedestrian use and provides spaces for public events. It is also included in the sustainable mobility intervention that connects the public space to other project structures, schools and sport facilities.

2. Innovalab dei Saperi: the recovery of an existing building for the creation of a social experimentation and innovation centre (e.g. Fab-Lab, Coworking, urban roof gardens).

3. Music Box: the recovery of a small artefact, adjacent to 'Le Creste' social centre, for the creation of professional experimentation laboratories in the musical field.

4. Sustainable Mobility: the creation of cycle paths connecting the Social Agora with other public spaces, also to the new railway underpass.

5. Plein Air A and Plein Air B: the redevelopment and reorganisation of two existing green areas, also with the installation of outdoor sport equipment for all ages and physical abilities, to promote sociability and healthy lifestyles.

6. Playground: the overall redevelopment of the sports area 'Campo Scuola di Atletica'.

Source: Case study research.

Territorially networked projects, implementing the same types of activities in different parts of the territory, were particularly prominent in FUAs. The scope for functional territorial coverage of TDMs facilitated the interconnection of investment in infrastructure between core cities and their surrounding area. This type of action has been notable in Polish FUAs where urban mobility projects investing in urban transport were connected in strategies and project plans and then implemented in a coordinated manner in the area of more than one municipality.[113] For example, in the Lublin SUD ITI case study, investment in the FUA transport hub was coordinated through a non-competitive project selection mode that gave municipal authorities the opportunity to coordinate urban mobility measures with connecting transfer junctions, park and ride facilities etc in surrounding municipalities. Similar examples were identified in case study research under other TDMs covering FUAs. Municipalities involved in the implementation of Tartu SUD PrAx cooperated and considered complementarity and synergies when submitting projects (e.g. light traffic routes in Tartu or bike sharing schemes). The project appraisal methodology set out criteria which favoured complex projects which, in combination with other projects, addressed a sustainable urban mobility challenge in the territory. In Austria, projects in the field of sustainable urban mobility were assessed by city-region forums made up of representatives of municipalities covering the FUA perspective before projects were allocated to specific local authority areas.

Other network projects have focused on integrating measures supporting tourism and heritage conservation (see Box 11).

Box 11: Territorially networked projects: 'Let's Connect Rijeka' (SUD ITI)

[113] Evalu (2018) *Ewaluacja bieżąca wdrażania zintegrowanego podejścia do rozwoju terytorialnego w ramach Regionalnego Programu Operacyjnego Województwa Mazowieckiego na lata 2014-2020*, Report to Mazowieckie Region.

Rijeka SUD ITI in Croatia includes an operation investing in cultural heritage through integrated activities across the FUA. According to MA and urban authority interviewees, this represented one of the first territorially integrated projects in Croatia. 'Let's connect with heritage' operation aimed to overcome territorially fragmented investment in cultural and historical heritage sites to support tourism and strengthen economic development. The project consisted of coordinated activities aimed at a common vision of the development of recognizable and unique cultural heritage of the urban area while encouraging tourism development based on the principles of sustainability. It included investment in 13 physical locations of cultural and historical heritage in the FUA and included all the main towns in developing and implementing plans.

Source: Case study research.

Case study research identified the beneficial effects of sequencing of project calls under TDMs, including those supported by different CP funds. In these cases, the same beneficiaries were targeted by different operations in order to achieve significant local impacts. For instance, the benefits of TDMs sequencing business support or infrastructure development and training targetting specific communities has been recognised in evaluations.

- **The potential that SUD ITI provides by bringing together the demand for training from young people with business support and urban renewal projects in specific locales has been evaluated positively** (e.g. in France).[114] Similarly, in Dutch cities parallel SUD ITI projects where firms in more deprived districts were supported in the development of innovative technologies through ERDF, while ESF provided targeted training to create a labour supply for jobs in these sectors were seen as innovative.[115] Participants in the research seminar from Greece noted that SUD ITI strategies had provided space for the integration of ERDF infrastructure building and capacity building activities under ESF. For example, ITI strategies supported ESF-funded training on how to implement restoration of theatres alongside ERDF-funded infrastructure support.

- **For SUD OP, discussion during the research seminar highlighted examples of parallel or complementary projects that integrated support for specific beneficiaries.** In the municipality of Venice innovative solutions to housing problems were related to the possibility of mixing measures addressing the physical space, coupled with measures addressing the promotion of socio-economic activities to bring life to those spaces and, as in the OP Metro, both the ERDF and the ESF could be mobilised. In comparison to 'mainstream' CP, the TDM provided a strategic framework to coordinate projects (in time, space and scale/scope).

- **Integrated investment through SUD PrAx operations also concerned linkages between TDM operations and those in other CP and domestic funding streams.** The Kaposvár SUD PrAx strategy was seen by interviewees as making an important contribution to the implementation of the city's wider development strategy. Its implementation relied not only on financing from the SUD PrAx strategy but also from other sectoral CP programmes, national programmes and also the city's own resources. The city's overall strategy provided the necessary coordination and integration of these sources of funding.

[114] L'Institut Paris Region (2021) *op. cit.*
[115] Mendez C et al. (2021) 'Rescaling urban development policy in the EU: the impact of integrated place-based approaches in Cohesion Policy. *Regional Studies*, *55*(6), 1154-1165.

According to a city-level interviewee, this integration worked well and one of Kaposvár's projects, concerning the rehabilitation of hospital blocks, even included funding from all four sources. Similarly in Saxony (Germany), project selection for SUD PrAx investments reflected the requirement for strategies to integrate operations financed from different sources, including ESF. One example in Heidenau is the 'Fritz-Grumpert-Platz'. Here, SUD PrAx ERDF funding was used to transform an old playground into a multi-generational / inclusive playground. At the same time, ESF provided funding for a community centre located in this site. ESF urban development funding pursues the same area-based approach as ERDF urban development: funding is provided for neighbourhoods that are disadvantaged in certain respects through a bundle of measures that together contribute to eliminating the disadvantage. According to the strategy holder, synergy between ERDF and ESF can be created if the funded areas overlap, and cities consciously create a link between the two funding programmes.

- **Case study research highlighted the sequencing or parallel implementation of operations in TDMs as particularly prominent in CLLD, where multi-Fund support often targeted specific beneficiaries or locales to promote social inclusion while simultaneously addressing local development**. In Czechia, CLLD strategies were funded under ERDF and ESF from different OPs. Eligibility conditions for funding are set by each OP but coordination is prioritised. Chateau Třemešek was highlighted in the research seminar as an integrated solution provided by a multi-Fund CLLD. The Chateau was first reconstructed with ERDF investment funds to provide social flats for people with mental disabilities. Then ESF supported several 'soft' activities that are taking place there (social work, family centres, social enterprises etc.). In Caracal (Romania), representatives of the LAG emphasised that CLLD was the first multi-funded mechanism with practical relevance in their territory.

These benefits derived from implementing coordinated operations in TDM strategies in comparison to mainstream CP operations were confirmed in group discussion at the research seminar, including benefits related to efficiency in achieving CP results and broader capacity-building through the process itself. For programme authorities from Germany, for instance, the integrated approach resulted in higher efficiency of spending public money: more than one problem can be solved with only one project by linking it to other projects. Other beneficial effects related to changes in administrative culture and capacity-building at the local level. In Czechia, SUD ITI strategy holders described a shift in thinking when they started integrated strategic planning. For the first time, municipalities and other beneficiaries thought about spatial and/or thematic integration. It was an exercise in how to combine individual projects and integrate efforts and find a solution to potentially conflicting interests. This culture shift and increased strategic capacity is evident in 2021-27 as there are now no isolated projects, they are all part of integrated solutions. Indeed, according to strategy holders, the ITI created space to discuss links with projects outside of the strategy itself.

(ii) Which factors facilitated or impeded achieving these results?

Although there is substantial evidence of linkages between TDM operations according to functional, territorial rationales, regulatory and administrative factors have limited integration of CP funds at the level of operations.

Differences in the regulatory framework and guidance for ERDF and ESF limited their integration within TDM operations. Management and control rules were fund-specific, thus, in the planning phase, operations had to be adjusted by programme

authorities to the eligibility rules of one specific fund. Combining funds in a single operation would have meant that financial management had to be done twice (payment forecasts, reports, calculation of commitment targets). Moreover, the integration of multiple funds in an operation would have implications for monitoring and evaluation, combining indicators and ensuring there was a common interpretation of results and impacts. Previous research has highlighted different understandings (e.g. ESF concentration on results in terms of direct effects of intervention while ERDF programmes 'results' look to measure change in a sector or a socio-economic situation in a given area).[116]

The architecture of CP management and implementation systems in MS created challenges for integration of funds at operational level. Given the administrative complexity of combining funds in operations and concerns about compliance and the risk of errors, MS and regions have applied demarcation rather than integration as a primary tool to ensure the coherence CP funds. However, this has impeded implementation of cross-financed projects in TDMs. Even where multi-Fund OP architectures made it feasible to support ERDF and ESF operations in TDMs, variation in management and implementation structures and processes for different funds made integration at operational level extremely difficult. These challenges were evident across TDM types:

- **Integration of different funds (especially ERDF and ESF) at operational level was not evident in SUD ITI case studies, limiting the scope to address complex linkages between social and economic factors in urban areas.** There were cases where the selected strategies where innovative, strategic ideas for operations incorporating social and economic dimensions could not be taken forward because they were ineligible. In Hradec-Pardubice needs analysis carried out in preparation of the strategy highlighted social issues that could not be included in the strategy as the ESF OP was not participating and appropriate funding would not have been available. In Lublin, the strategy was supported by a multi-Fund ERDF-ESF regional OP but in practice integration was limited due to differences in implementation systems. For instance, while ERDF operations in the strategy were based on pre-selected, non-competitive modes, ESF operations were generated through open, competitive calls. In South Rotterdam, one of the main aims of the strategy was to match the objective of linking business support and strengthening education/skills in this deprived area through integrating ERDF and ESF. In this, the strategy was not successful because the national ESF OP and regional ERDF OP had different management and implementation structures and systems.

- **Integration of ERDF and ESF at operational level did not take place in SUD OPs due to differences in management and implementation structures governing the funds.** Although one of the key objectives of the Stockholm OP was to develop synergies between ERDF and ESF (particularly under the priority of research and innovation), integrating or coordinating projects was challenging in practice. Some ESF and ERDF projects had synergies. For instance, female migrants arriving in Sweden were supported by an ESF project and could also find work in another project supported by ERDF. However, collaboration between the SUD OP MA and the ESF MA was not substantially strengthened through the SUD orientation and ministerial siloes persisted. Also in Belgium, deeper integration with ESF was not considered as the ESF is managed by other Belgian institutional entities.

[116] KPMG and Prognos (2018) *Study on the coordination and harmonisation of ESI Funds and other EU instruments*. Final Report to European Commission.

- **The complexity of aligning multiple funding streams at operational level was also evident under SUD PrAx**. For instance, mid-term evaluation of the SUD PrAx in Tartu recommended that strategies use both ERDF and ESF. According to interviewed representatives of programme authorities, however, the CP regulatory environment meant that this was only practical through coordinating operations rather than integrating funds within them and that this itself was administratively demanding.

- **In some non-SUD ITIs a multi-Fund strategy, although valuable, was not as effective as hoped because of the absence of integrated rules and procedures** and a single point of contact for beneficiaries. An evaluation found that the leverage effect would certainly have been greater with integration of the different funds.[117]

- **For CLLD, varied conditions for using different funds have made it difficult to leverage synergies at operational level**.[118] Differences between the management and control requirements for EAFRD, ERDF and ESF, the number of guidelines, and different funding conditions was a significant explanatory factor highlighted by interviewees and cited in evaluations for the limited use of cross-fund project financing.[119]

A crucial factor in ensuring the integration of operations according to functional, territorial rationales was the quality of TDM strategies. As already noted, an overarching logic of intervention was an important element in territorial strategies as it provided a unifying reference point for the definition of priorities and objectives and for the generation and selection of projects according to a functional, territorial rationale. Case study research and discussions at the research seminar highlighted how strategy holders for different TDM types translated their intervention logics and priorities into territorially and/or thematically coordinated operations. For example, in Poland, the IB for Śląskie central subregion SUD ITI, after defining the goals in the strategy, developed a database tool into which municipalities and counties introduced their projects. Thanks to this, the IB was able to analyse how best to integrate projects, thematically or territorially. Under CLLD, some of the LAGs selected for case study research set out explicit frameworks for the achievement of integrated impacts. These included:

- a **dedicated matrix** that identified operations with particularly strong integrated effects (Caracal, RO);
- the **definition of activities to be combined to achieve the specific objectives** set out in the LDS (ADREPES Urbano, PT); and
- a detailed **description in the strategy of how to integrate sectors, partners, funds and business types** for more comprehensively implemented projects (Pojezierze Brodnickie, PL).

The absence of an explicit, overarching intervention logic risked a focus on absorption or redistributive rationales rather than the generation of functionally linked operations. Previous research has questioned the extent to which strategies across TDM-types have supported integrated operations. In some FUAs, for instance, SUD ITI strategies have supported a large number of small projects, divided across many municipalities. This ensured the distribution of funding across the maximum number of urban authorities but operations lacked the critical mass to respond comprehensively to

[117] ISCTE (2022) *op. cit.*
[118] Scholz F et al. (2020) *op. cit.*
[119] ISCTE (2022) *op. cit.*

the needs and problems of the entire territory and the broader theory of change.[120] Evaluations in Lithuania noted that the appraisal of TDM projects was sometimes limited to formal assessments of basic eligibility criteria rather than of more strategic elements.[121] Lack of criteria relating to clear thematic and/or territorial objectives has also led to dispersed projects in non-SUD ITIs in France and Romania, undermining the achievement of strategic objectives.[122]

The choice of project generation and selection mode influenced the scope to produce functionally or territorially integrated operations. Competitive and non-competitive modes had associated benefits and risks that had to be weighed in different territorial contexts.

Open calls for operation proposals provided competitive incentives for accessing funds under TDM priorities throughout the programme period. They also provided flexibility in responding to changing circumstances and needs in the territory.[123] However, evaluations have noted that although this project selection mode made it possible to link projects to specific investment priorities, it was less straightforward to link them to an overall intervention logic and theory of change.[124] The use of the competitive mode for some SUD ITI operations in Poland made it much more complicated for municipalities to coordinate their operations, substantially increasing the costs that local actors had to invest in collaboration.[125]

Non-competitive project generation and selection modes facilitated the development of a pre-defined list of strategic projects prior to launch, based on processes of negotiation between programme authorities, territorial strategy holders and beneficiaries. Strategic projects could be identified prior to the launch of programmes, ensuring the inclusion of certain actor groups in the programming process or the coherent targeting of overarching development issues on the territory (see Box 12). As already noted, an important added value of TDMs noted by interviewed beneficiaries was the cooperation between applicants and strategy holders in the preparation and implementation of operations. This provided greater assurance that project proposals would be successful, and it lowered competition among project applicants (project intentions are communicated before developing into project applications, there was an agreement within territory on strategic projects and similar projects are eliminated). An important insight for Gothenburg SUD ITI, highlighted during the research seminar, was the contribution of the combined process of developing strategic projects and drafting the territorial strategy itself. This embedded the projects in the strategies, ensuring strong coordination, and also meant that the projects were settled and could be launched early in the programme period (in 2015). It should be noted that this relied on existing experience.

[120] Polish Ministry of Regional Development (2022) *op. cit.*
[121] BGI (2019) *op. cit.*
[122] Edater (2020) *op. cit.*
[123] van Herck B et al. (2018) *Mid-term evaluation ERDF Flanders 2014-20,* Final Report.
[124] BDO (2020) *op. cit.*
[125] Borkowska S (2021) *The politics of institutional collective action: a comparative analysis of integrated territorial investments in Poland*, Ph.D. thesis in European public policy, submitted to University of Stathclyde, Glasgow.

Box 12: The Stockholm model

In Stockholm OP, a key innovation related to governance in 2014-20 has been the so-called 'Stockholm model', which is mentioned also in the programme documents (ERDF and ESF). In accordance with this model, the implementation of the programme is based on proactive working methods, encouraging cooperation and involvement of a wide range of regional actors and linking of funding to relevant and strategic development priorities (rather than funding being spread across a number of different projects). In accordance with the Stockholm model, the Structural Funds Partnership[10] does not only prioritise projects, but also takes more responsibility for mobilising regional actors prior to project calls, as well as for promoting knowledge development and learning. The mobilisation of actors takes place through informal meetings prior to project calls. The regional actors meet up and discuss challenges (linked to the SUD priority in question) and how the programme and indeed the projects could solve these challenges. The purpose is to bring together stakeholders to collaborate on 1-3 project applications, depending on the call. This approach enables the development of projects that have a direct strategic link to the region's challenges. As a result, the regional actors take a more proactive role in the implementation of the programme. Furthermore, the regional actors are also more engaged in learning from the activities that take place.

Source: Ferry M, Kah S and Bachtler J (2018) *Integrated territorial development: new instruments – new results?*, IQ-Net Thematic Paper 42(2), European Policies Research Centre Delft.

Non-competitive selection of TDM operations required investment of time and resources on the part of programme and territorial authorities and beneficiaries at the beginning of the programming stage. Programme authorities interviewed across MS and TDM types raised concerns about the capacities of beneficiaries engaging in project preparation. TDM operations faced administrative and regulatory issues common to all CP projects (e.g. related to public procurement, state aid) but there were specific challenges: TDMs can involve new local actors without experience of these issues and how to deal with them. Where TDM operations were strategically linked, problems and delays in one could have 'knock on' effects in others.[126] Negotiating strategic projects was time consuming (in some cases lasting two years) and this put pressure on spending milestones. In several SUD ITI cases, interviewees from MAs and IBs noted that variation in capacity across municipalities to develop applications meant that sometimes only the most straightforward or already existing plans were submitted. This limited the strategic value of using the SUD ITI instrument rather than the mainstream OP.

Although non-competitive project generation and selection modes increased the likelihood of strategic, functionally integrated operations, programme authorities have had to ensure that beneficiaries remained committed to progressing the TDM after funding was agreed.[127] There were cases where MAs finalised lists of approved TDM projects but subsequently received requests from local authorities to change these as proposed beneficiaries abandoned plans and looked for support elsewhere. Where an envelope of TDM funding was assured for local authorities through the non-competitive mode, there was a risk that more attention was subsequently paid to developing other applications outside of TDM as TDM funding was already 'guaranteed'. This sometimes resulted in a fundamental delay of ITI projects and in some cases even inability to implement them (e.g. some SUD ITI operations in Czechia).

[126] National Audit Office Estonia (2022) *Risks and lessons learned from using European Union grants: an overview of the implementation of foreign subsidies planned in the state budget*; Sofia Municipality (2021) *op. cit.*; Prognos AG (2020) *In-depth analysis as part of the evaluation of the OP ERDF NRW 2014 – 2020. Territorial analysis: Funding approaches in the ERDF NRW with special consideration of the Regio.NRW. Commissioned by the Ministry of Economy, Innovation, Digitization and energy of North Rhine-Westphalia.*

[127] Heath-Drugovič S (2019) *Looking Forward, Strengthening and Embedding SUD in 2021-2027*, presentation at European Structural and Investment Funds and Integrated Sustainable Urban Development' *IQ-Net Knowledge Exchange Meeting*, Delft, 26/2/19.

Table 20 summarises the key achievements in green identified under Pathway 2 in the research and the most important determining factors and constraints in red.

Table 20: Pathway 2 – achievements, determining factors and constraints

Instrument type	SUD ITI	SUD PrAx	SUD OP	Non-SUD ITI	CLLD
Territorial demarcation	Regulatory requirement to demarcate urban areas for SUD ITI prompted innovative focus for CP investment by cutting across administrative and scalar boundaries. Depended on flexibility in how higher levels applied demarcation criteria and the willingness and capacity of UAs to emphasise functional links. In some cases, UAs driven by pragmatic rationales: accessing the maximum funding available by including as many municipalities as possible.	Regulatory requirement to demarcate urban areas for SUD put emphasis on functional linkages, including urban-rural and FUAs, rather than merely administrative boundaries. Depended on flexibility in how higher levels applied demarcation criteria and the willingness and capacity of UAs to emphasise functional links	OP Metro demarcation designed to address FUA dynamics (although weak metropolitan structures limited this territorial focus in practice). Micro-zoning to link or balance investment in deprived areas and growth centres (SUD OP Brussels. SUD OP designation in other cases a pragmatic choice - continuation of 2007-13 OP coverage.	Often involved demarcation of larger rural areas and regions. Flexibility produced varied territorial focus (smaller towns and cities in the hinterland of large urban centres, territories with shared challenges, including those based on specific geographical features). Challenges in ensuring alignment of priorities and coherence of intervention logic in large spaces covering diverse territories and actors.	CLLD regulations set framework for territorial and population coverage. Urban CLLD used micro-zoning to target funding to areas most in need. Rural CLLD influenced by LEADER experience, but often expanded territory to increase impacts. Degree to which territories could be defined based on functional considerations varied according to previous programme experience, the need to operate within national- or programme-level framework conditions, administrative borders and ensuring a critical size of the territory.
Functional linkages and integration at operational level	Evidence of SUD ITI integrating operations according to a functional, territorial rationale: strategic, 'flagship' projects with multiple measures and territorially networked projects across urban territory. Integration of different funds (especially ERDF and ESF) within operations not evident due to regulatory differences and separate management structures in MS. Negotiating flagship or networked projects time consuming. Admin constraints or spending deadlines meant that sometimes only simplest or already existing plans submitted.	Examples of large strategic measures made up of inter-linked operations; territorially networked projects, prominent in FUAs. Some projects linked directly in the territory with those supported by other CP or domestic funds. Integration of different funds (especially ERDF and ESF) within operations not evident due to regulatory differences and separate management structures in MS. Negotiating flagship or networked projects time consuming. Admin constraints or spending deadlines meant that sometimes only simplest or already existing plans submitted.	Examples of 'flagship' projects parallel or complementary projects that integrated support for specific beneficiaries. OP Metro plans for territorially networked projects in FUAs constrained by uneven capacities across metropolitan area (most projects located in regional capitals). Integration of ERDF and ESF at operational level did not take place in SUD OPs, due to differences in management and implementation structures governing the funds.	Value of territorial networking perceived in the contribution it made to solving common problems and to exchanging experiences. Transaction costs high in integrating operations in different parts of larger territory with different types of stakeholders.	Sequencing or parallel implementation of operations particularly prominent, multi-Fund support often targeted specific beneficiaries or locales to promote social inclusion while simultaneously addressing local development. Impractical to integrate funds within operations. Differences between the management and control requirements for EAFRD, ERDF and ESF, the number of guidelines, and different funding conditions significant factors.

4.4. Pathway 3: TDMs and multi-level governance

Key findings

The delegation of responsibilities for CP management to territorial level through TDMs has had an empowering effect. This was evident across TDM types but especially for urban authorities involved in SUD under Article 7 that became more involved in resource allocation decisions and for CLLD LAGs.

Delegation built administrative capacity for CP implementation at local level either through the establishment of new structures or innovation in existing arrangements. In local authorities with limited experiences and capacity, implementation was credited with prompting the establishment of new units or organisations with a wider remit for strategic development in the territory.

MAs retained overall responsibility for decision-making, even where tasks were delegated to territorial authorities. Programme authorities remained ultimately responsible for operations implemented in TDM strategies and limited administrative capacity at lower levels sometimes restricted delegation and limited the scope for governance innovation (although capacity-building efforts by programme authorities mitigated risks in some cases).

TDMs have strengthened CP multi-level governance by putting structures and systems for dialogue and discussion in place to align territorial and programme level objectives. Drafting of TDM strategies and the generation and selection of projects required coordination of tasks between local authorities and programme authorities. EU, national and regional platforms for multi-level networking and exchange of experience have also built capacity, introducing local authorities to broader communities of practitioners and experts.

TDMs have strengthened interjurisdictional structures or agreements, incentivising cooperation and the creation of deeper collaborative relationships between local authorities, although this was not evident in all cases. Except for CLLD, TDMs were not required by regulation to operate across municipal borders and administrative and political considerations often led to them being based on single administrative units, limiting horizontal coordination.

Apart from CLLD, there were no regulatory provisions to ensure the participation of territorial partners in governance. This led to significant variation in efforts to mobilise territorial actors. For SUD TDMs financed under ERDF Article 7, the main focus was on the mobilisation of urban administrations themselves. However, the importance of the instrument in incentivising local political and administrative leaders was underlined by Urban Authorities. CLLD was notable among TDM types for its potential to mobilise territorial actors. Key to this was the proximity of LAGs to communities.

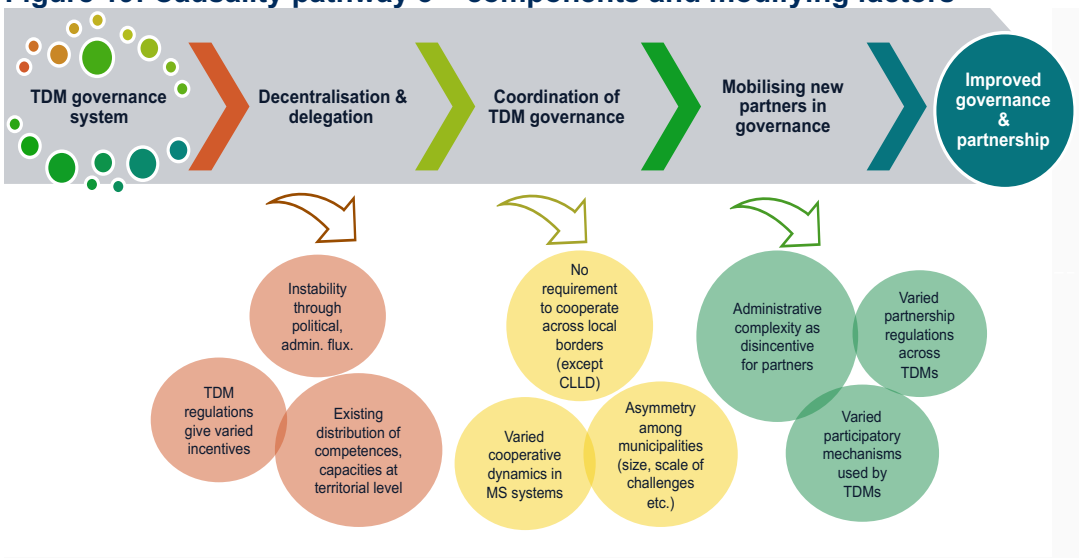
The stronger local visibility of territorial strategies and operations in comparison to 'mainstream' CP supported efforts to mobilise participation but there was variation in this across TDMs. Limited involvement was sometimes due to lack of awareness about the TDM and its opportunities among local actors or the wider community. Efforts were undermined by the perception administrative burden and procedural complexity. However, interviewed beneficiaries saw advantages in the more intensive TDM administrative process, in terms of improving project quality and assuring successful applications.

The third causality pathway concerns the implementation system of TDMs and how this contributes to the quality and capacity of policy governance, particularly at local levels. The quality and capacity of government structures and governance systems are emphasised in the place-based model. The capacity of formal government structures and the quality of processes of coordination and collaboration between local and regional institutions help territories to adjust and react to change, to seek joint

solutions to problems and to escape 'traps'.[128] The empowerment of local level stakeholders ensures more effectively targeted investment of resources, more transparency and accountability and more local 'ownership' of and commitment to policies. Thus, effective governance arrangements are at the core of the place-based approach, integrating bottom-up and top-down inputs from public sector (multi-level), private sector, third sector and civil society.

Improved local systems for the governance of policy can be one of the most substantial areas where TDMs contribute to the ultimate outcome of more effective territorial development. TDMs offer incentives for delegating or decentralising governance, the development of innovative vertical and horizontal coordination mechanisms across administrative levels, and the inclusion of a broader range of participants at the local level beyond public authorities, including citizens.[129] New or improved vertical and, particularly, horizontal coordination mechanisms can help to strengthen collaboration cultures and to develop capacities in multi-level and participatory policy implementation. This pathway has different components where the use of TDMs can strengthen governance systems and partnership, facilitating CP contribution to the longer-term objective of place-based development. Moreover, the extent to which this pathway leads to strengthened governance is conditioned by a range of modifying factors (Figure 19). A review of the literature identified factors under each of these components and these are explored below.

Figure 19: Causality pathway 3 – components and modifying factors



4.4.1. Delegation, decentralisation of TDM management and implementation

One of the potential benefits offered by TDMs was the scope to delegate and decentralise key management and implementation tasks from programme management bodies to local levels. Under the place-based logic, the dispersion of

[128] Barca F (2009) An Agenda for Regional CP: A place-based approach to meeting European Union challenges and expectations. Independent Report prepared at the request of Danuta Hübner, Commissioner for Regional Policy. Brussels: European Commission.

[129] Ferry M and Borkowska-Waszak S (2018) 'Integrated Territorial Investments and New Governance Models in Poland' European Structural and Investment Funds Journal Volume 6, Issue 1, pp. 35-50.

delivery responsibilities across levels is seen to be more flexible and efficient in responding to challenges at various territorial scales.[130] Place-based concepts emphasise the role of local and non-state actors in informing and implementing policies and plans. The logic is that locally autonomous decision-making leads to a closer connection between policy and local needs and priorities. This makes measures better informed, efficient, embedded with stronger local commitment and ownership, and more transparent with stronger accountability at the local level.[131] To varying degrees, TDMs supported increased input of regional and territorial authorities and stakeholders in CP resource-allocation decisions, particularly by giving them a more prominent part in the selection and delivery of projects than under 'mainstream' CP. SUD ITI, PrAx and OP under ERDF Article 7 had to designate cities, sub-regional or local bodies responsible for implementing strategies for tasks relating, at least, to the selection of operations. CPR Article 36 also gave MAs the scope to designate regional or local authorities for management and implementation tasks, although this was not compulsory. CPR Article 32 required the use of LAGs composed of representatives of public and private local socio-economic interests for CLLD.

The key assessment criteria for this element of Pathway 3 are:

Assessment criteria

Criterion	Assessment
Tasks	Territorial organisations have delegated or decentralised decision-making responsibilities (especially selection of operations).
Structures	Organisations established for TDM governance at territorial level.

(i) Synthesis of evaluation findings: what was achieved?

The sharing and delegation of responsibilities for the implementation and management of CP between programme authorities and strategy-holders at territorial level had an empowering effect, especially under SUD (ERDF Article 7). A range of implementation tasks were delegated to urban authorities as part of the compulsory establishment of IBs. According to urban authority interviewees across SUD ITI and PrAx case study strategies, this expanded their role in CP in comparison to 'mainstream' programmes. Generally, urban authorities had previously been involved in CP as beneficiaries or through participation in wider programme partnership or advisory bodies. Urban authorities as designated IBs now led the process of drafting the strategy, prepared proposals for selection criteria that assessed the compliance of operations with the strategy, monitored and reported on the implementation of the ITI operations, cooperated with the MA in planning and implementation of tasks in terms of communication, publicity and evaluation.

For MAs and urban authorities involved in SUD under Article 7, the most significant delegated tasks concerned the selection of operations. Programme authorities and urban authorities noted that this moved resource allocation decisions closer to the local context than other CP support and improved territorial targeting of resources. In Hradec-Pardubice, the SUD ITI mechanism prompted delegation of

[130] LSE (2011) *Study on the Impact of the Single Market on Cohesion: Implications for Cohesion Policy, Growth and Competitiveness*, report for the European Commission.

[131] Barca F (2009) *op. cit.,* Bradford N (2012) 'Territory and local development: a place-based perspective' *Universitas Forum*, Vol. 3, No. 2; Barca F et al. (2012) "The Case for Regional Development Intervention: Place-Based versus Place-Neutral Approaches", *Journal of Regional Science*, 52.1, 134-152; Iammarino S, Rodríguez-Pose A and Storper M (2018) "Regional inequality in Europe: evidence, theory and policy implications", *Journal of Economic Geography*.

responsibility on decision-making about concrete territorial priorities. For example, the MA decided that transport terminals would be funded but it was the responsibility of the IB (Pardubice City) and stakeholders in the FUA to agree and decide which concrete transport terminals in the territory would be targeted. The IB had to conduct an appraisal process of all ERDF projects under ITI and thus was very familiar with potential projects and applicants from the territory. In Piraeus the establishment of an IB with delegated competences in the city meant proximity and more effective targeting of resources to local needs. Similarly, the SUD PrAx mechanism facilitated a significant shift towards the delegation of decision-making responsibilities to local level organisations, particularly in the selection of operations. The adoption of a decentralised approach in the SUD PrAx strategy marked a shift towards empowering local entities, exemplified by the partnership between the Region of Tuscany and the municipality of Rosignano Marittimo, which performed as an implementing body and played a central role in the selection and execution of operations. According to interview data, such a model ensured that the strategies were closely aligned with local needs and potentials, enhancing the effectiveness of interventions funded by ERDF.

In the case of non-SUD ITI and SUD OP strategies, delegation of tasks was more variable. For non-SUD ITI strategies, where there was no regulatory requirement to designate IBs, delegation of decision-making responsibilities to local organisations varied significantly. For the Danube Delta ITI the responsibility for managing the instrument was kept within the central government ministry, although partial decentralisation took place with the establishment of a new inter-municipal organisation (IDA – ITI Delta Dunării) as a point of contact for beneficiaries, and a means of monitoring the implementation of the strategy. Similarly, in the case of the Epirus ITI, decision-making was not delegated to the local level, although an inter-municipal stakeholder council was established to facilitate coordination. In three of the four SUD OPs, management and implementation tasks were mapped onto existing structures and the extent of innovation through delegation was limited. MAs that were already in operation in 2007-13 assumed SUD responsibilities and there was no delegation to IBs. In the OP Metro, there was delegation of tasks to the capital cities of metropolitan areas.

There is substantial evidence of delegated TDM implementation building administrative capacity for CP implementation at local level either through the establishment of new structures or the strengthening of existing arrangements. This included development of skills in strategic planning and management of allocated CP funding, and organisational changes of structures, systems and tools. Delegation of tasks meant that local authorities involved in implementation gained experience in the design of local policies and more efficient structures for the preparation of plans and programmes.[132] New structures included associations of local authorities or secretariats acting as IBs in SUD ITI delivery, steering groups, working groups and other platforms connecting local authorities to communities in a territory.[133]

For strategies funded by ERDF Article 7, fulfilling IB competences required dedicated offices to be designated in urban administrations in the selected strategies. This included secretariats to ensure technical implementation, management and delivery of the strategy. In the Rotterdam case, despite substantial experience of implementing urban development measures through CP, the establishment of a Steering Group for the SUD ITI was regarded by urban authorities and beneficiaries as an important structure involving stakeholders from the district level in governance. This group was responsible for project selection and monitoring and its members included

[132] Greek Ministry of Development (2020) *Evaluation of the application of the Spatial Tools in Greece in the programming period 2014-2020 1st Deliverable - "Development of Methodology"*.
[133] EACE (2021) *op. cit.*

representatives of district interests, district authorities and officials responsible for education, business support in the district.

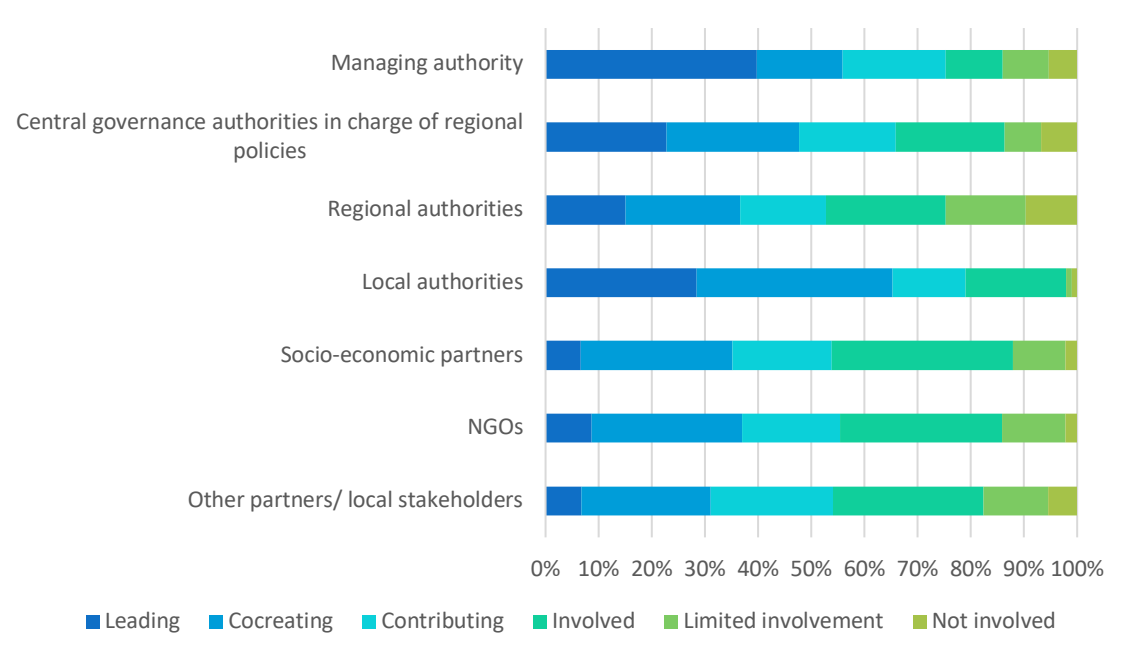
For SUD OPs, MAs could effectively act as urban authorities. However, interviewees at programme and territorial level for the OP Metro saw innovation in governance of development policy and planning practice in the Italian context, confirming insights from the literature.[134] Perspectives from interviews and the focus group supported the point that the OP Metro improved the capacity of cities to manage projects and different EU funds, and increase access to these funds for municipalities in FUAs that had previously missed out on support. According to interviewees from the City of Bari, involvement in implementing the SUD OP increased its administrative capacities through different forms of 'training on the job' and the TDM provided incentives to staff in this respect.

There was acknowledgment by strategy-holders of the value of CLLD in bringing resource allocation decisions closer to communities, boosting local capacity to address specific needs through LAGs. LAGs had to take on more management tasks than was the case for the territorial level using other TDMs and this was valued by local authorities as a means to better address specific local needs through CP. LAGs were not only responsible for the selection of operations but were also tasked with designing project selection procedures and running calls for proposals. Hence, delegation of TDM management and implementations to the territorial level was automatically built in, at least formally. Especially in Romania, where the CLLD mechanism was completely new, the delegation of project selection to local level was considered a success by both programme and territorial level interviewees in strengthening the discretion of local authorities in allocating resources to local needs. The key role that the LAG played in designing project selection criteria, calls for proposals and project selection also represented a significant delegation of decision-making responsibility to local level organisations in the Polish context. A direct role in the selection of operations was valued by LAG representatives in encouraging an iterative exchange with beneficiaries in the community as their applications developed.

Nevertheless, it is important to note that MAs retained overall responsibility for decision-making, even where tasks were delegated to territorial authorities. Programme authorities remained ultimately responsible for operations implemented in TDM strategies. The results of the research survey of programme authorities and TDM strategy holders shows that the overall implementation process was perceived to be dominated by the former. The process of defining of eligible TDM activities, evaluating the project proposals and taking the decisions on funding allocation includes a mix of stakeholders, but in the opinion of survey respondents, the process is led by the MA and central government and to a lesser extent by local and regional authorities and other partners (see Figure 20).

Figure 20: What have been and currently are the roles of the various bodies involved in the management and implementation of territorial strategies within the ESIF, throughout the different stages of the programming and implementation cycle?

[134] Vinci I (2019) *op. cit.*



Source: TDM survey carried out by the project team, N=90.

(i) Which factors facilitated or impeded achieving these results?

A key factor in the extent of delegation to local and territorial levels was existing levels of administrative capacity. In theory, delegation of CP implementation tasks to local authorities through TDMs should have eased the administrative burden on MAs and achieved added value by building local capacities.[135] In practice, successful implementation of TDMs required different types of administrative capacity, involving a range of associated tasks, relating to: the technical and legal expertise necessary for the implementation of CP projects (e.g. in project generation, monitoring and evaluation, financial control and audit); skills in coordination of public and private partners, in continuous dialogue and involvement of relevant stakeholder groups; and the coordination of various sources of funding. Evaluation studies identified a range of necessary resources to fulfil these tasks. These include: strong and consistent political and institutional support for the TDM (with commitment of time and funding); appointment of dedicated structures and staff across different bodies to support coordination; specific measures to mobilise local actors and communities and encourage the bottom-up approach; and, a base of local leaders with a strategic vision to cooperate and work for the benefit of the territory.[136]

Limited administrative capacity at lower levels put pressure on programme authorities as they were ultimately responsible for the investment. In cases where the capacity or experience of local authorities in implementing CP was limited, the delegation of tasks to the local level was more restricted and MAs passed on the minimum responsibilities required for implementation of the strategies. Generally, in these cases, participation of local authorities in the development of strategies was strong. Subsequently, they were involved in checking the quality of applications in terms of coherence with these strategies as part of project selection processes. For other implementation tasks, local authorities depended to varying extents on the support of

[135] OECD (2018) *Rethinking Regional Development Policy Making*, OECD, Paris.
[136] Infyde (2019) *op. cit*; Technopolis Group (2022) *op. cit.*

MAs, e.g. to conduct project calls, formally and substantially assess projects, or sign contracts with beneficiaries and carry out financial control.[137]

The extent of delegation, therefore, relied to a considerable degree on domestic administrative settings. On the one hand, the research identified examples where existing experience and capacities at local level facilitated TDM management and implementation at the territorial level. For instance, successful implementation of SUD ITI in Polish FUAs was frequently associated with cases where there are existing traditions of cooperation across jurisdictions, even where these have not been fully formalised.[138] In these contexts, SUD ITI presented the opportunity and incentives to further institutionalise metropolitan cooperation.[139] In the case of Gelsenkirchen SUD PrAx, city authorities were already vested with significant decision-making responsibilities, including the selection of operations pertinent to urban development. The SUD PrAx strategy leveraged these pre-existing frameworks without necessitating the creation of new decision-making or operational structures. Similarly, in the case of Utena non-SUD ITI, municipalities were given substantial responsibilities and agency in planning and implementation of projects. According to case study interviewees, the empowerment of municipalities in the governance of the TDM was made possible by pre-existing planning regulations and practices, already used in the previous programming period.

Limited delegation was particularly evident in countries with hierarchical, top-down policy governance traditions. Analyses have emphasised the negative effects of coordination difficulties among national, regional and local levels, limited administrative capacities at lower levels to manage TDM implementation and a lack of a culture of dialogue between public and non-governmental actors in such settings (e.g. Czechia, Romania).[140] For instance, in the Danube Delta non-SUD ITI case study, according to interviewees, limited delegation reflected the absence of a strong regional authority and the dominance of a more centralised territorial administration structure of Romania. Management and control responsibilities were not delegated by the MAs: neither the local authorities nor the IDA – ITI Danube Delta had a role in selecting projects to be supported. The IDA merely issued certificates of conformity of the infrastructural projects supported with the ITI strategy. Even in contexts where new local structures have been established with the objective to involve wider set of actors in strategy implementation, these have not always been sustainable over time, not least due to lack of critical mass (e.g. in Portugal).[141]

TDM-specific regulations also had an impact on delegation as these varied in terms of what was required and the administrative costs incurred. TDMs funded under ERDF Article 7 were notable in adding specific administrative procedures for project generation and selection that stretched administrative resources at local level in some contexts. According to interviews with programme authorities and strategy-holders across all of the selected case studies, delegation of decision-making tasks increased administrative complexity with multiplication of project appraisal and approval across local, programme and national levels. This complexity was exacerbated when the SUD ITI was supported by multiple programmes or where operations were selected in fields where different Ministries had a stake. In Lublin, SUD ITI operations were pre-selected,

[137] Ferry M et al. (2018) *op. cit.*;
Ego (2020) Badanie ewaluacyjne: Kompleksowa ocena instrumentu Zintegrowane Inwestycje Terytorialne w ramach RPOWP 2014-2020. Final report to Marshal Office Podlaskie region.
[139] Šašinka P et al. (2019) 'Cooperation differs. Intentions of municipalities towards metropolitan cooperation in post-socialist space – Brno, Czech Republic', *European Planning Studies.*
[140] IBRD/World Bank (2020) *op. cit.*
[141] Agency for Development and Cohesion (2019) Evaluation of the Operationalisation of the Territorial Approach of Portugal 2020 in the Context of Convergence and Territorial Cohesion. Final Report.

discussed and agreed with the MA during the preparation of the strategy but each also had to have a formal assessment of compliance with the strategy by the IB later on. In Piraeus, operations were appraised for strategic coherence by the IB, checked for coherence with OP priorities and approved by the MA but also checked by units in other ministries for overlaps or complementarities with their own measures. The MA intended to delegate substantial tasks to the IB in the city administration. However, Piraeus city had no previous experience in carrying out CP management tasks and the MA knew that generation of projects would be time-consuming. Thus, the MA added project maturity as a selection criterion for operations, focusing on those already at an advanced stage of preparation. This reduced the city's discretion in selecting operations (although it still drafted the list of projects to be proposed for funding).

The governance of non-SUD ITIs did not require establishment of IBs, although new organisations were often still established at the territorial level. In the case of the Ancient Theatres ITI, for instance, Destination Management Organisation (DMO Epirus) was established to support territorial stakeholders. For ITI Mar Menor, a dedicated Directorate General for the management of the instrument was established within the Murcia MA, complemented by an interdepartmental Coordination and Monitoring Commission helping to coordinate across policy sectors and producing annual reports on the ITI.

CLLD strategies had to ensure that project selection decisions were taken at the local level although administrative concerns about delegation were often allayed where there was opportunity to build on pre-existing LEADER LAGs (e.g. Bulgaria, Italy, Slovakia, Slovenia). Many CLLD LAGs benefitted from LEADER experiences over several programme periods (at least in rural areas),[142] although the administrative resources and related capacities were still comparatively limited compared to other TDMs. CLLD implementation has been challenging in urban contexts, where LAG managements have been newly set up for 2014-20. In Lithuania, for instance, the newly created urban LAGs had no experience in implementing projects and although most LAGs were able to attract staff with relevant capacities, project implementation often relied on voluntary work.[143]

For SUD OP, administrative costs were limited by mapping tasks onto structures and systems used for predecessor programmes, but this meant that delegation was limited (with the exception of OP Metro). MAs that were already in operation in 2007-13 assumed SUD responsibilities and there was no delegation to IBs. For the OP Metro, at the beginning of the 2014-20 period, the Italian metropolitan authorities were at an early stage and the EU required urban authorities with experience and performance in the implementation of interventions, as well as effectively certifiable expenditure. Thus, metropolitan actors ended up with a much more limited role than envisaged.[144] For example, the City of Turin was the IB in the metropolitan area of Turin and was the beneficiary for all the projects in its area. In the OP Metro Plus 2021-27, a greater involvement of metropolitan actors is planned, although capital cities will still act as IBs.[145]

[142] Konečný O et al. (2020) 'The Rise and Limits of Local Governance: LEADER/Community-Led Local Development in the Czech Republic' in Nunes Silva C (ed.), *Contemporary Trends in Local Governance, Local and Urban Governance;* Springer Nature, Switzerland AG 2020.
[143] BGI (2019) *op. cit.*
[144] Vinci I (2019) *op. cit.*
[145] https://www.espon.eu/sites/default/files/attachments/5%20ESPON%20METRO_CS%20Metropolitan%20City%20of%20Turin.pdf

Pressures on administrative capacities and human resources were particularly acute in TDMs covering smaller cities and towns, limiting delegation of tasks.[146] In several MS, strategies including large municipalities had the necessary administrative resources while smaller municipalities have experienced difficulties in coping with the delegation of complex administrative responsibilities.[147] While larger urban centres had experience with implementing projects, smaller and more peripheral municipalities have been challenged by capacity issues (financial, technical and human resources). This has undermined intervention logics based on strengthening reciprocal relations through integrated projects agreed between core cities and their hinterlands. An important factor in these contexts is the presence of motivated and dynamic local leaders to take advantage of the opportunities TDMs offer. Research has found that success in developing projects within TDMs was often associated with active local political leaders or officials who were willing to deal with the challenges associated with implementation.[148] Conversely, unwillingness of political and administrative leaders in municipalities to act as a leader in a project and to take on administrative tasks disrupted collaborative processes in TDM strategies.[149]

The benefits offered by TDM governance in terms of learning and administrative capacity-building was constrained where delegation of tasks from programme authorities to local authorities was narrow or minimal. This risked reinforcing capacity asymmetries. Narrow delegation of a limited range of management activities ensured timely spending and compliance with financial management and control rules. However, learning and capacity-building for more challenging but innovative governance practices (e.g. intra or inter-municipal cooperation) beyond these basic roles was constrained. As this applied to less-resourced municipalities, there was a risk of TDM implementation creating asymmetric capacity-building effects: higher capacity-building outcomes were more likely in those local authorities which were already better equipped with administrative capacity. Previous research on CP has analysed how narrow delegation models are less likely to support capacity-building, creating an administrative capacity paradox that potentially reinforces asymmetries across local administrations.[150]

Commitment to tailored capacity-building efforts was, therefore, a vital factor in delegation where CP management experience was limited. There were notable examples of initiatives that responded to capacity concerns in the context of TDM delegation. Smaller organisations have often lacked the capacity to meet all of the administrative and regulatory requirements of CP (including public procurement and auditing) but Technical Assistance has been used to provide technical support and strengthen their administrative capacity. Some programme authorities have used CP Technical Assistance to boost human resources in SUD ITI IBs. In Italy, Administrative Strengthening Plans are required from each public administration involved in CP implementation and in Poland a national Centre for Advisory Support has the goal of strengthening the administrative efficiency of local governments listed as 'threatened with permanent marginalisation' that lack the administrative capacities to develop strategic projects for EU or domestic funding. [151] In Rijeka, the IB in the city

[146] BGI (2019) *op. cit.*
[147] European Parliament (2016) *Report on future perspectives for Technical Assistance in CP* (2016/2303(INI)); Committee on Regional Development; Tosics I (2017) 'Integrated territorial investment: A missed opportunity?' in Bachtler J, Berkowitz P, Hardy S and Muravska T; EU CP: Reassessing performance and direction, Routledge: London.
[148] Merkaj E, Lucchetti R and Fiorillo F (2020) The role of local leaders in regional development funding: Evidence from an elite survey, Journal of Regional Science, 60, issue 4, pp. 712-737.
[149] Polish Ministry of Regional Development (2022) *op. cit.*
[150] Polverari L, Domorenok E and Graziano P (2024) *op. cit.*
[151] Ferry M et al. (2018) *op. cit.*

administration had no experience of CP project appraisal but interviewees from the programme authority and the city highlighted the value of support provided by the central level for extensive education and training on EU funds to officials in the city.

4.4.2. Coordination of TDM governance – vertical and horizontal

The concept of place-based development underlines the importance of coordination in integrating bottom-up and top-down inputs from multiple levels of administration. Rather than centrally-designed measures implemented in a top-down dynamic, in theory, place-based measures focus on coordinating inputs from a range of actors at multiple levels of governance.[152] The place-based paradigm emphasises coordination, requiring governance arrangements that facilitate coordination of sectoral policies at the relevant territorial scale and pull together public, private and civil society actors.[153] Under the place-based logic, coordinating the input of national, regional and local authorities contributes to more effective policy governance by aggregating knowledge and resources and limiting the scope for duplication, overlap or competition for resources.

Place-based regional policy coordination has both vertical and horizontal dimensions.[154] National-level coordination aims to break down 'silos' in sectoral policymaking, involving ministries as partners in determining the optimal mix of priorities for integrated regional development measures. Regional-level coordination facilitates the participation of sub-national partners from public, private and civil society organisations in regional policy. The vertical dimension concerns the coordination of national and sub-national contributions.[155]

TDMs provided the opportunity to strengthen coordination across these dimensions. Enhanced vertical coordination could be pursued, for instance by bringing together authorities responsible for different programmes and CP funds located at national or regional levels in contributing to a territorial strategy[156] and by providing a platform for interaction between programme authorities and strategy holders at sub-regional levels.[157] The place-based and integrated nature of TDMs also had the scope to support more effective horizontal cooperation among local actors. Agreeing a TDM strategy, investment priorities and operations across territories requires coordination between local authorities and other territorial stakeholders.[158] The effectiveness of local governance can be boosted through increased coordination between local authorities,

[152] McCann P et al. (2012) 'Some practical elements associated with the design of an integrated and territorial place-based approach to EU CP'. Crescenzi R and Percoco M (Eds.) *Geography, Institutions and Regional Economic Performance* (pp. 95-118), (Advances in Spatial Science), Springer Berlin.
[153] OECD (2019) *Territorial Review of Greece. Policy Note Towards a Renewed Strategy for Regional Policy in Greece*.
[154] Glückler J and Lenz R (2016) 'How institutions moderate the effectiveness of regional policy: A framework and research agenda'. Investigaciones Regionales, *Journal of Regional Research*, 36, 255-277.
[155] Duranton G and Venables A (2018) 'Place-Based Policies for Development', Policy Research Working Paper 8410, The World Bank, Washington DC.
[156] van Raak R (2020) 'Sustainable Urban Development is more than EU funding for urban projects' presentation to UDN webinar *Six building blocks to Sustainable Urban Development,* 3 November 2020.
[157] Stampfer C (2020) *op. cit.*
[158] Medve-Balint G (2016) Funds for the wealthy and the politically loyal? How EU funds may contribute to increasing regional disparities in East Central Europe. In Bachtler J, Berkowitz P, Hardy S and Muravska T (Eds.), *EU Cohesion Policy: Reassessing performance and direction* (pp. 220-240), Routledge.

reducing unnecessary competition for funds or duplication and overlap in investment plans.[159]

Within the respective context, the key assessment criteria are as follows:

Assessment criteria

Criterion	Assessment
Vertical coordination	Platforms for regular exchange of knowledge between national, regional, local actors (committees, conferences etc.).
Horizontal coordination	Decision-making through inter-municipal associations, agreements.

(i) Synthesis of evaluation findings: what was achieved?

In terms of vertical coordination, TDMs have strengthened CP governance by putting structures and systems for dialogue and discussion in place to align territorial policy objectives and investments with higher levels. Moreover, the process has built governance capacity at local level by drawing strategy holders together with actors from multiple administrative levels. Across TDM cases, the experience and capacity of territorial authorities in implementing CP has been built through direct contact with MAs, participation in national coordination platforms and participation in EU knowledge exchange platforms.

Drafting of TDM strategies and the generation and selection of projects required coordination of tasks between local authorities and programme authorities. Stronger collaboration between governmental tiers through TDM implementation was highlighted across case studies. In Saint-Malo, for example, the non-SUD ITI created a stimulus for establishing a Single Programming Committee. This was based on a partnership contract that committed the Region and other territorial (public, private and civic) stakeholders to collaborate on the ITI. Its role was to maximise the absorption of EU funding distributed as part of the ITI and other instruments, coordinating activities at the local level with the MA at the regional level. The Committee established a list of projects that could potentially be accorded funding, thus informing the MA about the expected demand for funding and then monitoring the implementation progress in terms of absorption of funds. In Lithuania, although projects under the ITI were guaranteed funding as they were subject to non-competitive selection process, the planning procedures used (both applied within and outside of ITI activities) required frequent exchange of information, discussions and negotiation between municipalities, the Ministry of the Interior and other ministries, Implementing Agencies on issues such as eligibility of different activities for funding, or investment projects' documentation. The process of strengthening multi-level governance of TDMs could be based on the extension of existing structures and systems or the creation of new ones (see Box 13).

Box 13: TDMs extending MLG systems in Slovenia

As discussed in the research seminar, in Slovenia the Association of Slovenian Municipalities (ZMOS) played an important role in building a multi-level governance system for SUD ITI. CP governance in Slovenia faced the basic challenge of reconciling strong demand from urban authorities to have more ownership in management and implementation and administrative fragmentation at municipal level (urban municipalities are small from EU perspective and there was a lack of capacity for each city to be an IB under ERDF Article 7). The designation of ZMOS as an IB for SUD ITI implementation allowed Slovenian authorities to draw on existing

[159] Ego (2018) *Evaluation of the implementation system for ITI in 2014-2020*.

capacity and experience in coordinating urban authorities. ZMOS was established as a public agency in 2010, serving as association for urban authorities, and so provided an existing platform for bringing together urban authorities. The IB was established in 2016 within ZMOS, including an expert commission with one expert from each urban municipality and a Secretariat, Participation of ZMOs in SUD ITI entailed substantial administrative effort but has strengthened delegation and vertical and horizontal coordination of CP. The designation of ZMOS as an IB meant agreement from state authorities to transfer some responsibilities to cities, formally involving the local level in the implementation process. This entailed intensive dialogue between urban authorities and state ministries, led by the MA, and ZMOS had to undergo a demanding accreditation process to become an IB, with comprehensive documentation (including a management and control system, guidebook, assessment of audit and fraud risks and the need to change national legislation. However, this strengthened cooperation between urban authorities in producing the necessary internal documents as well as the cooperation with the MA and ministerial IBs.

Source: WP13 research seminar.

Across TDM types, EU, national and regional platforms for multi-level networking and exchange of experience have also built capacity, introducing local authorities to broader communities of practitioners and experts.

- In Spain, the creation of the Urban Initiatives Network exemplified efforts to facilitate knowledge exchange and collaboration between public and private stakeholders involved in urban development strategies. The Network fostered regular exchange of knowledge between national, regional, and local actors. This platform, along with informal communication channels among local entities, has proven instrumental in sharing experiences, best practices, and addressing common challenges faced in implementing SUD strategies. The importance of such platforms in contributing to capacity building and facilitating knowledge sharing was recognised by interviewees at the municipality level.

- In Czechia, a range of coordination structures and platforms for networking and knowledge exchange were established, including Regional and National Permanent Conferences to facilitate the implementation of the territorial dimension of CP, programme level working groups dedicated to coordination of TDMs, and technical platforms at which representatives of ITI holders and OPs addressed could common operational challenges (e.g. related to CP monitoring systems).

- Under CLLD, rural LAGs were supported by National Rural Networks, connecting them to other rural development stakeholders, including higher-level actors in the delivery system of rural development. Though less common, there were also specific coordination platforms for CP-funded CLLD. In Poland, for instance, there was a national-level sub-committee on CLLD, involving representatives of both the rural development and CP side, the regions that make use of multi-Fund CLLD and LAGs. There are other examples of frameworks that have been set up for the specific challenges of CLLD.[160]

- EU-level initiatives have also demonstrated significant potential to support territorial authorities in implementing SUD measures. Urban Innovative Actions[161] and the Urban Development Network have also provided help in fostering new

[160] In both Czechia and Slovenia there are well-established CLLD coordination structures in place.
[161] https://uia-initiative.eu/en

and innovative solutions in the field of SUD through knowledge exchange, support for urban pilot projects, demonstration projects. A recent evaluation of Urban Innovative Actions (UIA) in 2014-20 noted that the majority of UIA projects are in cities hosting SUD strategies.[162]

In terms of horizontal coordination, TDMs have been valuable tools to strengthen interjurisdictional structures or agreements, providing impetus to cooperation and the creation of deeper collaborative relationships between local authorities. Inter-municipal coordination was regarded by interviewees as an important goal in using the TDM. In some contexts, this responded to perceptions of the inefficiencies of fragmented CP investments and the failure to address functional linkages. This was highlighted, for instance, in the Polish and Czech contexts with research indicating the role TDMs can play in strengthening integrated metropolitan governance of investments.[163] The role of place-based policies with governance structures that allow measures to capture the interplay of development processes across functional areas has been highlighted in the literature.[164] A key motivation in using TDMs in these contexts was to formalise cooperation within metropolitan areas on common objectives, including sustainable transport and smart mobility, education and employment, social issues, innovation and entrepreneurship.[165] Across TDM types, horizontal coordination in FUAs was based on a combination of coordination structures and informal or formal agreements between local authorities:

- **The rationale to use SUD ITI was frequently to strengthen strategic development at the metropolitan level.** The use of SUD ITI in Czechia consolidated coordination activities at metropolitan level in Brno, based on a multilateral informal agreement.[166] This contributed significantly to a new trend in promoting metropolitan urban development in the country.[167] As discussed at the research seminar, Czech programme authorities have noted changes in the CP governance system as a substantial added value of TDM implementation, strengthening the multi-level system that should be at the heart of CP. They have seen the creation of new networks, partnerships, formal and informal structures and links is something that has the potential to contribute to territorial development beyond the supply of CP funds. According to IB interviewees, SUD ITI implementation in Rijeka (Croatia) formalised and extended existing experience of coordinating mayors and executives of municipalities in the FUA in terms of traffic and communal infrastructure. An agreement was signed between mayors and executives of all cities and municipalities in the FUA to establish an operational body to steer the strategy and its projects.

- **In the Italian OP Metro, the basic rationale was related to the need to strengthen metropolitan governance** in the context of domestic administrative reforms and to build capacities at that level (see Box 19).[168]

- **According to case study interviewees in Tartu, the implementation of the SUD PrAx strategy in the FUA for the first time necessitated a comprehensive framework for coordination between municipalities within**

[162] CSES (2020) *Assessment Study of the Urban Innovative Actions 2014-2020*, Final Report for European Commission.
[163] Noworól A (2019) *op. cit.*; Šašinka P et al. (2019) *op. cit.*
[164] Venables A et al. (2019) 'Place-Based Policies: principles and developing country applications', *Economics Series Working Papers* 893, University of Oxford, Department of Economics.
[165] Feřtrová M (2018) *op. cit.*
[166] Šašinka P et al. (2019) *op. cit.*
[167] Feřtrová M (2018) *op. cit.*
[168] Vinci I (2019) *op. cit.*

the agglomeration. Informal steering groups and the project evaluation committee became instrumental in preparing and implementing urban strategies and monitoring their execution. These entities facilitated inter-municipal coordination, ensuring that the development strategies at the municipality level were cohesive and aligned with broader FUA objectives. While permanent platforms for knowledge exchange specifically for the SUD PrAx strategy were not established, existing networks at local, county, and **national levels played a critical role in facilitating dialogue and information sharing.** This approach leveraged pre-existing structures to avoid duplication and ensured that stakeholders across different levels were engaged in a collaborative process.

- **In Portugal, Pacts for Development and Territorial Cohesion implemented non-SUD ITI strategies in metropolitan areas.** According to evaluations, a prominent added value was that they created a space to plan, design and implement transversal, supra-municipal and inter-municipal projects in the field of education and climate change responding to common problems in an integrated or similar way.[169] In the Porto case study, the Pact involved the Porto Metropolitan Area and the Metropolitan Council of Strategic Planning (as a body overviewing the process of elaboration of the Pact and mobilising metropolitan stakeholders and citizen engagement), the Thematic Metropolitan Networks (comprising members of the nine local authorities), and Metropolitan Partnerships composed of relevant public, private, institutional or business actors) in each thematic area. According to interviewees, the Porto Metropolitan Association organised a lively debate as early as the preparation stage of the Pact to stimulate the formulation of inter-municipal projects and the establishment of objectives of relevance for the metropolitan area. This involved general meetings at political level and thematic meetings at technical level.

- **In rural CLLD, LAGs must cover the territory of multiple municipalities due to the regulatory minimum population coverage requirements** (CPR Art. 33 (6)). The LAG Harz case study, for instance, covered five municipalities and cooperation between the municipal mayors played a critical role in the effective functioning of the LAG ensuring projects were in line with local priorities and supported by citizens. Similarly, in Troyan-Apriltsi-Ugarchin, Požitavie-Širočina and Pojezierze Brodnickie, the LAG governance structures included frameworks in which municipalities could cooperate. This was felt by interviewed strategy holders to be very useful in the Slovak case, where the LAG offered a new framework for municipalities to cooperate when funding operations.

The case of SUD ITI in Poland is useful as it demonstrates how pre-existing weak inter-municipal coordination in FUAs could be strengthened using TDMs (see Box 14).

Box 14: TDMs strengthening horizontal coordination – SUD ITI in Poland

A defining characteristic of SUD ITI in Poland was the focus on FUAs which required cooperation between the core city (or cities) and surrounding areas. Enhancing inter-municipal coordination in FUAs was an important added value of SUD ITI in Poland, as traditions of this type of cooperation were weak.[170] For the ITI IBs in cities, central government guidance stipulated two options: to form an association of municipalities; or to reach a formal agreement or contract between municipalities. Some municipalities with limited experience of working together opted for formal agreements as this simpler form limited transaction costs for collaborative activities. Some larger municipalities with experience of similar initiatives opted for the association model as a separate, new intermunicipal organisation allowed more equal

[169] ISCTE (2022) *op. cit.*
[170] Kozak M W (2016) 'Zintegrowane inwestycje terytorialne jako eksperyment', Studia Regionalne I Lokalne, 3(65), 50-69; available online at <http://doi.org/10.7366/1509499536503.

power relations among municipalities and more independence in terms of joint activities, both from the political and organisational perspective. The Lublin SUD ITI case study decided to base inter-municipal coordination on an agreement concluded between the municipalities of the Lublin Functional Area. Lublin city assumed the role of leader representing all municipalities and acting as IB. Within the structure of Lublin City Hall, the ITI Office was established, and an ITI Council was created as a forum for mayors where discussions sometimes moved beyond ITI issues. Although there were concerns that resource allocation decisions would be dominated by the core city, agreeing a resource allocation method across larger and smaller municipalities in the FUA (through the negotiation of a list of strategic projects) was a crucial condition for SUD ITI implementation that created new cross-municipal relationships.[171] This was important as, due to lower financial and administrative capacity, smaller municipalities had previously lost out to bigger actors in 'mainstream' CP project calls.[172] According to interviews with municipalities from outside of the core city, the ITI formula allows greater integration of municipalities and joint investments, levelling out disparities in the FUA:

"The ITI formula supports building relations with neighbouring communes and the core city (the agglomeration centre) for the development of the area, as well as creating partnership relations with the regional MA" (municipality benefiting from SUD ITI in Lublin FUA).

Indeed, based on experience in 2014-20 partners in Lublin SUD ITI decided to bring cooperation to the next level and in 2022, the Association for Lublin FUA was established. According to the interviewees, this was due to increasing awareness of the benefits of cooperation between partners and the advantages of a more formalised form of cooperation.

Source: Case study research and literature review.

(ii) Which factors facilitated or impeded achieving these results?

With the exception of CLLD, TDMs were not required by regulation to operate across administrative/municipal borders and administrative and political considerations which often resulted in them being based on single administrative units, limiting horizontal coordination. Besides CLLD, TDMs could be implemented within one single local authority, and political objectives for equal treatment of municipalities or concerns about administrative costs associated with inter-municipal coordination for TDMs have acted as disincentives to establishing cross-municipality governance. In Germany, single municipalities were often strategy owners for SUD PrAx and they did not have to coordinate with other municipalities. This reduced the transaction costs associated with coordination, but according to discussions at the research seminar, cities still had a tendency to compete for funding. There was a risk that with increasing awareness of the benefits of TDMs, more cities will want to have their own strategy, as they see it as secured funding. In Slovenia, some rural municipalities requested (and were granted) re-classification from rural to urban settlement so they can become eligible for ERDF SUD strategies. Rather than producing beneficial impacts through coordination, this increased the risk for inefficiencies as the TDM field could become fragmented and investment dispersed.

In MS with centralised policy governance structures, challenges of introducing TDM coordination mechanisms were more substantial. The absence of medium-scale actors with sufficient competence to bridge national and local decision-making has sometimes led to fragmentation. In the case of Utena ITI, Romania's centralised territorial administration structure and a limited tradition of inter-municipal cooperation meant that horizontal coordination between the municipalities remained weak and they did not

[171] Borkowska S (2021) *op. cit*.
[172] Medve-Balint G (2016) *op. cit.*

cooperate when developing their territorial actions. This was despite the active role of the municipalities and their involvement in vertical coordination and the fact that Utena ITI is a regional/polycentric strategy. In reality, six separate city strategies were developed by municipalities with no functional or strategic links across them.

Beyond administrative structures, a point raised in case study research and reiterated in the research seminar was that, for TDMs to effectively strengthen CP governance through increased coordination, a change was often needed in administrative cultures. Programme authorities and territorial stakeholders from across MS noted that, even where systems are put in place for multi-level inputs in TDM design and delivery, making them work means moving beyond traditional hierarchical models and thinking more about co-production and co-creation. This observation applied at all levels. As noted above, in the case of Lublin SUD ITI, at local level, experience of implementing the strategy has led to a stronger appreciation of the benefits of collaboration, reflected in the shift in implementation model from an inter-municipal agreement to an association in the 2021-27 period. At national level, several MS highlighted the challenge of introducing new cultures of collaboration between Ministries funding TDMs at national level and the struggles to overcome sectoral 'siloes' in order to integrate and territorialise investments from the top (e.g. Poland, Czechia).

The challenges of inter-municipal coordination were evident in TDM strategies that covered larger territories (often under non-SUD ITI strategies). For instance, Danube Delta and Azul ITIs had substantial territorial coverage involving municipalities with some shared development issues but diverse organisational cultures and systems (in Azul combining city and island councils). This presented a challenge to coordination and meant that more centralised governance arrangements were required.

4.4.3. Mobilising input from territorial stakeholders

Place-based approaches argue for multiple stakeholder involvement in governance, integrating inputs not just from public administration but private sector, third sector and civil society. The rationale is that engagement of many different types of stakeholders contributes to improved local governance and effective local development through: increased democratic legitimacy for local institutions because of close links with citizens and communities, greater social cohesion etc, including bringing diverse actors and communities together, greater capacity building and learning, including raising awareness and increasing understanding of policies and the way they work, and improved quality of projects and programmes (ensuring investment is based on expressed needs).

The aim of TDMs is to implement strategies at the closest level to communities and citizens, involving local authorities, community organisations, local NGOs, local businesses etc in design and implementation. Through the development of territorial strategies that identify specific territorial needs and potentials, and through the involvement of territorial stakeholders in decentralised governance structures, TDMs can be used by local and regional governments to broaden the range of local actors involved in CP design and delivery, increase access to CP support for different territories and communities, build capacities and social capital in communities through involvement in

governance structures and raise citizens' awareness of the impact of CP in the area where they live.[173]

Key assessment criteria are as follows:

Assessment criteria

Criterion	Assessment
Stakeholder type	TDM mobilises new stakeholders, especially from outside public administration sector.
Depth of participation	Participation of stakeholders involves element of control over decisions, through engagement in decision making structures and processes.

(i) Synthesis of evaluation findings: what was achieved?

For SUD TDMs financed under ERDF Article 7, findings from the selected cases confirmed the conclusions in other research that the main focus of strategies and their projects was the mobilisation of urban administrations themselves. In many cases, municipalities were the main beneficiaries of SUD ITI, PrAx and OP funds and instruments were seen to be 'municipality-centric', with limited participation from other partners (e.g. the voluntary sector, the private sector and citizens).[174] According to interviewees from several UAs, this was in part due to the novelty of the instrument and the need for public administrations to build implementation experience and capacity themselves in the 2014-20 period.

However, the importance of the instrument in incentivising local political and administrative leaders was underlined by urban authorities. UA interviews and the Focus Group discussion stressed that the implementation of SUD strategies increased the engagement of local leaders who were committed to the development of the urban territory. This applied to the mayors of urban municipalities and there are examples where local political leaders have played a vital role in championing strategies and projects in their municipalities (e.g. signing inter-municipal agreements in Rijeka), boosting transparency and accountability and ensuring that adequate resources were dedicated to administration. The need for awareness raising of the benefits of SUD ITI among local political leaders, particularly after electoral change, was noted by interviewees in order to maintain this leading role in supporting collaboration in the territory. For example, although in the Prague SUD OP, changes in political leadership after elections did not significantly change priorities, time was needed to familiarise new city councillors with the SUD agenda at a time when pressures to increase spending rates were high. Strengthened place leadership through SUD strategies also applied to the role of administrative officials. These are complex instruments, based on time-consuming processes of collaboration and urban authorities stressed the importance of maintaining a team of experienced and enthusiastic officials with local knowledge and connections across the urban area for sufficient time. According to UA interviewees, the distinctive role of SUD ITI managers in city administrations should be reflected in their employment conditions to provide incentives and minimise staff turnover.

According to interview data from across SUD strategies, the engagement of a broader range of stakeholders was valued but ensuring this was resource-intensive for MAs and IBs. In SUD OP and SUD PrAx contexts, there were existing

[173] Polish Ministry of Regional Development (2022) *op. cit.*, Schwartz P et al. (2022) *op. cit.*; van Leeuwen C et al. (2020) *op. cit.;* GEFRA (2020) *Evaluation of Schleswig-Holstein 2014-2020 OP ERDF Impact evaluation of Priority Axis 3.*

[174] URBACT (2019) *Reflections on citizen participation in Europe's cities*, Lisbon City Lab, January 2019.

structures to mobilise urban stakeholders through typical OP partnership requirements (e.g. through representation in the Monitoring Committee) but subsuming TDM strategies within a programme SUD OP or PrAx risked limiting distinctiveness as an urban development initiative around which mobilisation efforts could be built. Some IBs responded to this challenge by drawing on previously existing participative process and urban stakeholder mobilisation structures. In Tenerife the SUD PrAx strategy successfully mobilised stakeholders by drawing in networks that had built knowledge and capacities throughout the years in other EU integrated urban development approaches, including the URBAN Community Initiative.[175] For the OP Metro, according to interviewees from the IB in the City of Bari, the TDM consolidated existing cooperative dynamics. The relationship with the third sector including former municipal companies played a very important role within the sustainable mobility sector. These actors already collaborated with the city administration, but the funding and strategic framework associated with the SUD OP increased their commitment and helped the administration to implement measures.

SUD ITI strategies provided more incentives for mobilising new stakeholders than SUD OP and SUD PrAx. SUD ITI strategies could access funding from all relevant OPs in an urban territory and could have a higher level of thematic diversity to respond to urban needs and incorporate new, place-specific aims to attract new stakeholders. Case study research identified a number of examples where SUD ITI strategies had drawn in new stakeholders in a range of urban contexts (Table 21 and Box 15).

Table 21: Examples of SUD ITI mobilisation of new urban actors

Case	Actors	Examples
Piraeus	Business sector, higher education, medical association	New actors contributed to the development of project plans due to dedicated funding envelope and expectation that participation would lead directly to funded operations.
Hradec-Pardubice	Universities in the FUA	Building on RIS3 experience, ITI mobilised local universities in the R&D thematic working group, in which they cooperated on the identification of projects (see Box 15).
South Rotterdam	Institutions from the educational and vocational training sectors (e.g. social enterprises)	Facilitated by combination of ESF and ERDF in the strategy. Institutions from these sectors became interested in the strategy as it contained new, relevant funding opportunities. Representatives are now members of the urban advisory group that is responsible for project selection, monitoring, and supervision of the programme delivery. In the view of the municipality, this has improved the cooperation between educational and business sectors in the territory. Important to note challenges in integrating ERDF and ESF operations.

[175] Arranz Lozano M, García Hernández J S and Zapata Hernández V M (2021) *La Ciudad de Santa Cruz de Tenerife y el área Metropolitana Insular. Una visión geográfica de Tenerife – Cuaderno de campo. XXVII Congreso de la Asociación Española de Geografía.* [Congress of the Spanish Geography Association, Ed. García Rodríguez, J. L. 14-17/12/2021 in San Cristobal de La Laguna

Source: Case study research.

Box 15: Mobilisation of higher education and research actors in SUD ITI (CZ)

The key benefit of ITI Hradec-Pardubice was seen by the interviewed beneficiary from Pardubice University in the definition of three key thematic R&D priorities that were particularly relevant to local needs and potentials and their representation in subsequent ITI project calls. Since Pardubice University counts as a smaller university in Czechia, its voice was not as strong as the voice of more powerful institutions, and it had a lower chance of succeeding in national project calls that were very competitive and did not necessarily reflect its priorities. Thanks to the ITI instrument, Pardubice University was able to obtain funds for the development of R&D cooperation with entrepreneurs and other universities in the Hradec Králové region and now these established links are being enlarged into other R&D programmes and activities (e.g. joint projects for the Technology Agency of the Czech Republic, the Grant Agency of the Czech Republic, the OP for R&D for the period 2021-28). The beneficiary also pointed out that the transparency of the entire process of how their topics/projects were promoted and advanced under the ITI was very important and much higher than in national project calls.

Source: Case study research.

Non-SUD ITI strategies provided similar incentives for mobilisation of a diverse range of stakeholders. Although there was no requirement to use delegated or decentralised governance systems, case study evidence demonstrates that strategy holders put in place structures and systems to incentivise participation (Table 22).

Table 22: Examples of non-SUD ITI mobilisation of new territorial actors

Case	Actors	Examples
Utena	NGOs, sports association, local community organisations, innovation cluster	Growing awareness of the funding opportunities via ITI as implementation progressed and calls for additional projects to be funded were launched. Awareness-building, in turn, was facilitated using GIS-based online interactive communication tools, showcasing the funded operations. Normalisation of online meetings after Covid-19 period stimulated participation in consultation meetings.
Danube Delta	Diversity of public, private and civic actors	Establishment of a consultative committee to engage stakeholders from the functional area, paying attention to a balance between public and non-state actors. Facilitation of a dialogue on a balanced distribution of resources across thematic axes stimulated engagement.
Saint-Malo	Social housing associations	The involvement of social housing associations in a dialogue on the use of the ITI to improve energy efficiency of buildings was enabled by the establishment of the Single Programming Committee, which sought to bring together diverse territorial stakeholders, in an effort to attract new beneficiaries.

Source: Case study research.

- **In Saint-Malo, the ITI allowed for mobilising new beneficiaries, enabling projects that would not have been possible otherwise, and for empowering local stakeholders in decision-making**. The Single Programming Committee for the ITI was based on the rules previously used for LEADER programme implementation, according to which decisions on allocation of funding to projects should be taken by a majority of civil society players. Thus, the CUP involved citizens, associations, social housing associations and local economic actors. This, in turn, led to a new dialogue, especially between the elected representatives of the Pays de Saint-Malo and the local social housing associations, giving the latter a voice in the decisions on the decide on the

amount of funding to be allocated to energy renovation projects and promoting specific energy and heating innovations.

- **In Porto**, **the Pact for the ITI adapted pre-existing structures for collaboration within the metropolitan area and thematic expansion beyond traditional policy areas triggered an expansion of collaboration as part of the ITI**. The local and metropolitan authorities engaged in new collaborations with other municipalities, with inter-municipal entities and other public and private stakeholders (e.g. knowledge centres, enterprises). Partner entities were selected in line with their strategic contribution to the ITI. For the axis related to employability and entrepreneurship, coastal and rural LAGs were mobilised, while business associations provided communication support. Finally, for social inclusion projects promoted by the local and metropolitan authorities, a plethora of local civil society actors and non-state networks was involved to facilitate actions on the ground.

- In the case of the **Danube Delta ITI, for instance, consultative committee was established to support the implementation of the strategy**, with sub-committees for each of the strategic pillars, meeting at least twice per year. This structure engaged approximately fifty diverse stakeholders, with a nearly equal participation of public and non-state organisations and opportunities to provide inputs. On top of that, a key governance innovation brought about by the ITI was encouraging new linkages and negotiations between municipalities on which type of financing they would apply for to ensure a more balanced spread of resources across intervention types. This pushed the local political leaders within the ITIs territory who had to agree on postponing, reprioritising, or self-financing certain investments.

Where existing linkages between public authorities and other territorial actors was limited, TDMs struggled to mobilise participation of new actors. However, the extent of mobilisation could evolve over the programme period. In Utena, in the initial stages of drafting the ITI, the involvement of non-public local stakeholders and local communities was minimal. This was primarily due to time constraints faced by municipal authorities responsible for the strategy and lack of traditions and experience in participatory decision-making. However, according to interviewees, towards the end of the programming period, territorial stakeholders became more engaged, becoming increasingly aware of the advantages of participation in the ITI and the funding opportunities. Local communities and stakeholders became more actively involved in discussions about additional projects to be incorporated into the ITI, albeit not in decision-making processes. For instance, an innovation cluster was stablished under the ITI, with representatives of that sector becoming active in promoting the use of instrument. It should also be noted that, as with any participatory activity, engagement of different stakeholders in TDM governance brought forward voices opposing the strategy being implemented. For instance, in the case of Utena ITI, in Visaginas municipality, the local community objected to proposed housing modernisation solutions (concerning technological and engineering aspects), which stopped the implementation of housing renovation projects.

CLLD was notable among TDM types for its potential to mobilise territorial actors. Key to this was the proximity of LAGs to communities. LAGs were open to individuals and representatives of organisations and businesses living and / or working within the LAG boundaries and involved them in administering calls for projects, appraising applications and present them to relevant programme for eligibility checks. Moreover, LAGs' proximity to local communities meant that they could provide close

support to applicants and beneficiaries as they developed proposals and implemented operations. They are made up of representatives of the local community (such as trade unions, business associations, and municipalities of the territory managed by the LAG, see Box 16).

Box 16: CLLD incentives for mobilising territorial actors (Bulgaria)

An interviewed LAG representative (LAG Troyan-Apriltsi-Ugarchin) highlighted the incentives offered by CLLD in terms of mobilising territorial actors:

- trust in the local community through the LAG's provision of advice and support to applicants;
- knowledge about EU funding and improved skills to access these amongst the LAG's stakeholders;
- chances of successful project applications compared to higher-level national programmes due to less competition;
- local ownership of projects because as financial resources are reserved for the LAG territory, which lowers the risk of projects run by 'external' companies; and
- transparency for project applicants, as project evaluation criteria are published in the LDS and are publicly available in advance of a project submission. This is not the case for mainstream funding through national programmes.

Source: Case study research.

Across the CLLD case studies selected for the research, beneficiaries highlighted the importance of close, direct contact with the LAG and the value this had in comparison to other forms of CP support. The closer links with beneficiaries also allows the provision of support for local applicants, which would be more difficult to do by an MA in higher-level frameworks. For LAG Harz, the support of the LAG management for project applicants has been critical in assessing the feasibility of a project and its fit within the development strategy at an early stage. This support is seen as one of the main responsibilities of a LAG manager. According to the Saxony-Anhalt MA, this resulted in types of projects that otherwise would have been unlikely to be realised. The experiences of a CLLD applicant in Požitavie-Širočina (Slovakia) provide a representative 'snapshot' of the benefits of the LAG model in opening access to CP to local actors. The applicant had previously had four mainstream applications to EAFRD rejected and found the process formal and lacking transparency. In contrast, he was contacted directly by the LAG about the funding opportunities offered by CLLD and was provided with comprehensive services the during the preparatory and implementation phase. This built the beneficiary's own knowledge and capacity to access EU funds: after the positive outcome of his LAG funding application, the beneficiary managed to apply successfully for two EAFRD projects as well.

There is evidence from case study research that CLLD was particularly valuable in giving access to CP funding to communities that faced substantial barriers in applying for support from higher regional or programme levels. Unlike other TDMs, a CLLD requirement is to limit the participation of public actors and instead to encourage the involvement of other stakeholders. This provided scope for the participation of otherwise underrepresented actors, as highlighted by several LAG case studies (Troyan-Apriltsi-Ugarchin, Caracal, Požitavie-Širočina). It allowed for some delegation of decision-making to the community level and made it easier for smaller organisations to participate in the policy process. As highlighted in case study research and presented in the research seminar, CLLD in Romania gave marginalised people an opportunity to take some degree of control over CP interventions directed towards them (see Box 17).

Box 17: CLLD and mobilisation of marginalised communities in Romania

Through the bottom-up approach, CLLD measures in Romania have undertaken significant infrastructure projects, including the construction of 40 hospitals and clinics, 70 schools and kindergartens, and road improvements, all funded by the ERDF. Through LAG activities, communities were directly involved in the development of strategic projects instilling a sense of ownership among citizens who will actively engage with and utilize these facilities. Citizens perceive these infrastructures as belonging to them, rather than being solely funded by the EU, and this strengthens the likelihood that they will be maintained and developed beyond the lifespan of CP support. At the same time, CLLD has supported parallel community initiatives such as the Festival of Diversity and Tolerance, which conducted a health survey among 2,000 vulnerable individuals, generating valuable data and insights. In Romania, the CLLD programme has extended support to 200,000 undocumented individuals, constructing infrastructure tailored to their needs, fostering education, and empowering them to integrate as European citizens. According to a beneficiary from Caracal, a member of the Roma community:

"*The LAG team was really helpful. They explained everything to us in simple terms, they assisted me along the way and made sure that the project fulfils all the formal requirements. They helped us to deal with bureaucratic steps (for instance, they offered support in gaining the certificate which attests that our business is a social enterprise), and they accompanied us in various business interactions – this helped me gain credibility as a Roma person*."
(CLLD beneficiary, Caracal, Romania).

Source: Case study research.

CLLD has strengthened social capital in some communities.[176] Based on a review of the literature and evaluations, CLLDs played an important role in building capacities and social capital in communities through training, workshops and animation activities.[177] This facilitated the creation of new cooperation networks and partnerships between various entities (sports, culture, businesses, residents).[178] CLLD architecture in particular supported the establishment of relationships of mutual trust between the actors in the territories (the LAGs, implementation partners and potential beneficiaries) [179] and thus the potential for creating sustainable partnerships. For instance, in Czechia, cooperation started during the preparation of the strategy, which was further deepened during implementation.[180] Generally, this was perceived to be a result of continuously working together, which builds mutual trust, a sense of togetherness and stronger connections between residents.[181] In some cases, CLLD also stimulated new forms of voluntary cooperation and self-help volunteering in communities, increasing the scope for self-sustaining, long-term impacts.[182]

(ii) Which factors facilitated or impeded achieving these results?

This pathway component also has associated territorial and regulatory factors that modify the extent to which TDMs mobilise stakeholders, especially from outside of public administration.

With the exception of CLLD, there were no regulatory provisions to ensure the participation of territorial partners. This led to significant variation in efforts to

[176] ISW (2019) *op. cit.*
[177] Polish Ministry of Regional Development (2022) *op. cit.*
[178] Schwartz P et al. (2022) *op. cit.*; van Leeuwen C et al. (2020) *op. cit.*
[179] ISCTE (2022) *op. cit.*
[180] Ernst & Young (2021) *op. cit.*
[181] van Leeuwen C. et al. (2020) *op. cit.*
[182] BGI (2019) *op. cit.*

mobilise territorial actors and sometimes to the use of existing programme partnership structures and systems rather than specific arrangements. As noted in the literature, reliance on partnership structures and systems for mainstream programmes risked involving territorial actors solely in the early stages of the planning process, the use of formal, consultative public participation activities or the failure to target specific actors or communities in strategy design and implementation.[183] The involvement of local stakeholder groups solely in the early stages of the planning process, the use of formal, consultative public participation activities or the failure to target specific actors or communities in strategy design and implementation were recognised as barriers limiting involvement of actors outside of public administration.[184]

Efforts to mobilise actors from outside of public administration were challenged by the perception of regulatory complexity, administrative burden and procedural delays associated with the instrument. In Slovakia, interviewees noted how complex and lengthy delivery periods for LAG operations frustrated some LAG managers, leading to staff turnover fluctuation and undermining local governance capacity. Potential beneficiaries had the opportunity to look for support from other EU or national sources that were perceived to involve less administration and interviewees noted cases where projects prepared for the TDM strategy were submitted to another OP (e.g. SUD ITI in Poland).

Variation in traditions of societal engagement and the presence of civil society groups were also important particularly for TDM measures that rely on active civic engagement (e.g. in the field of urban mobility, multimodality and environmental sustainability).[185] Case study research highlighted how the mobilisation of territorial actors for TDM management and implementation benefited from being able to build on existing links between public authorities and other stakeholders (e.g. SUD OP in Bari) while in other cases TDMs represented an innovative but fragile catalyst for these types of networks (e.g. non-SUD ITI in Utena).

The extent to which TDMs mobilised territorial stakeholders also concerned their visibility in comparison to 'mainstream' CP investment. There was evidence of some limited added value in TDM implementation in this respect (see Section 5.5).

Table 23 summarises the key achievements in green identified under Pathway 3 in the research and the most important determining factors and constraints in red.

[183] Technopolis Group (2022)
[184] Technopolis Group (2022) *op. cit.*
[185] Kovachev A et al. (2018) 'Can public participation contribute to sustainable mobility? The experience of Bulgarian cities'. *Support to Urban Development Process, Lausanne: EPFL, IAUS*, 59-79.

Table 23: Pathway 3 – achievements and key factors

Instrument type	SUD ITI	SUD PrAx	SUD OP	Non-SUD ITI	CLLD
Delegation of management & implementation tasks	By regulation, delegation of CP implementation tasks to UAs, expanding role in comparison to 'mainstream' programmes. Establishment of secretariats, working groups, urban partnership structures that strengthened the capacities of UAs to manage CP Administrative demands and existing capacities determined extent of delegation.	UAs required to take on management tasks, empowering local authorities and supporting a more nuanced and locally informed decision-making process than under 'mainstream' CP. Often used by programme authorities as it allowed implementation to be based on existing systems and structures. This supported effective management of SUD PrAx but meant less innovation.	Positive influence on city governance capacities and partnership evident for the Italian OP Metro In three of the four SUD OPs, management and implementation tasks were mapped onto existing structures and the extent of innovation through delegation was limited.	Some cases involved creation of new organisations at the local level to manage diverse tasks. Substantial variation in governance impacts. No regulatory requirements so pre-existing institutional contexts influential in delegation process.	LAGs required by regulation to take on key management tasks. Led to delegation of important decision-making, especially where there was existing capacity at local level. Variation in delegation depending on existing capacities. Programme authorities still played important roles
Vertical & horizontal coordination	Strengthened vertical coordination between programme authorities and UAs., building important networks. In strategies covering FUAs, need for inter-municipal coordination strengthened local governance and links between political and administrative. Collaboration costs and risks sometimes led to focus on single city, limiting governance innovation.	Offered scope to launch or strengthen formal and informal networks and urban partnership structures. Provided incentives for horizontal, inter-municipal coordination in FUAs. Governance innovation through enhanced coordination not as evident as under SUD ITI as less linkages with other priorities, authorities required.	As a new programme, the OP Metro was exceptional among the cases in prompting innovative coordination structures and processes. Impact of SUD OP implementation on coordination limited in three of the four cases. Systems in place for predecessor OPs, main benefits stemmed from continuity.	Formal bodies often established to ensure cross-level coordination and information-sharing, supplemented by less formal activities, networking organisations. Limited scope for inter-municipal coordination where there was substantial territorial coverage.	LAGs act as coordination platforms - local public-private partnerships. Inter-municipal cooperation is a key feature of CLLD.
Mobilisation of territorial stakeholders	Examples of mobilisation of new actors through the financial incentives and territorially targeted issues in the strategies. Limited mobilisation of new actors from outside of public administration. Perceptions of complexity a disincentive.	Examples of mobilisation activities of IBs encouraged non-UA actors to become involved in generating operations. Lack of involvement of partners other than UAs. Subsumption of strategies within PrAx reduced visibility.	Policy innovation through use of the TDM led to engagement of new stakeholders (OP Metro, Stockholm). Tendency to follow OP requirements rather than dedicated efforts for SUD (Prague).	Examples where ITI stimulated engagement of non-state in bargaining to ensure a balanced distribution of resources across different types of interventions Significant variation, related to time constraints, limited traditions of participation.	Widened range of beneficiaries, gave access to underrepresented groups, both in terms of stakeholders but also of territories. It gives local communities voice in an otherwise highly bureaucratic and formalised policy environment.

5. Synthesised study findings

Section 5 provides responses to the research questions (**denoted in blue text**) based on the collected data from various data sources (databases, documentary and literature review, interview programmes, focus group, and the research seminar) and assessed in Section 4 according to the three causality pathways identified within the place-based theory of change.

5.1. Effectiveness

Assessment of effectiveness in terms of achievements must take into account that TDM implementation was still in progress at the time of the research. Assessment is also challenged by the aforementioned tendency for TDMs to draw on common output indicators and programme rather than TDM-specific targets, and limitations in availability of data, particularly at local level. Analysis of achievements against common output indicators used by TDMs by end of 2020 provides some general insights. A broadly positive assessment of progress towards CP targets emerges from a review of evaluations and the survey.

TDM strategies were broadly effective in applying an explicit territorial lens to target CP resources though their overall quality varied. In several MS, the territorial demarcation process prompted close interaction between national authorities, programme authorities and territorial stakeholders. Moreover, territorial authorities played significant roles in drafting, including the carrying out of detailed needs analyses, usually within frameworks set by national or programme authorities and this increased the scope for strategies to draw directly on local knowledge and capture place-specifics. Nevertheless, the absence or limitations in the design of an intervention logic in TDMs was a recurring outcome of the research and strategies' monitoring and evaluation systems often struggled to overcome challenges faced by place-based policies in building evidence of effectiveness.

TDMs have been effective in promoting an integrated, multi-sectoral framework at strategy level but coordination rather than integration has been evident at project level. Strategies combining different sectoral headings have promoted stronger integration of sectoral issues into local economic development measures. TDMs supported strategic, territorially or functionally connected operations but limitations in administrative capacity and EU and MS regulations were barriers to closer integration.

Delegation of CP implementation within multi-level governance systems was an important feature of TDMs that offered substantial benefits in introducing new systems, structures and tools that increased the contribution from territorial partners and stakeholders. However, where territorial authorities had limited capacity and experience in implementing CP, programme authorities concerned about absorption issues and regulatory compliance were often reluctant to delegate substantial tasks. Implementing TDMs has improved vertical coordination between programme authorities and local authorities, particularly in TDMs covering metropolitan or functional urban areas However, coordination benefits were less evident where strategies were based on single cities or towns. With the exception of CLLD, case study research indicated problems in raising awareness of TDMs and mobilising potential beneficiaries from outside of public administration.

As defined in Better Regulation Guidelines and Toolbox, "effectiveness analysis considers how successful EU action has been in achieving or progressing towards its objectives" taking into consideration achieved results in terms of enhanced institutional capacity, improved efficiency of public administrations, strengthened capacity to use ESIF funding, suitability of policy mix to address the needs of different actors and contextual factors that affected implementation of ERDF/CF funded interventions (2014-20).

To what extent was the ERDF/CF support delivered as planned under the integrated territorial instruments?

Quantitative analysis of the effectiveness of TDMs as place-based instruments faced substantial challenges. TDM strategies frequently based their indicator sets mainly or exclusively on the indicators of the OPs that supported them, rather than on strategy specific indicators. Potentially important results of TDM implementation, including the integration of investment according to functional, territorial rationales, improved local governance and partnership-working in CP are not easily defined or related to quantitative targets. This was evident, for instance, in cases where measures have set broader objectives such as quality of life, cultural identity in the Dutch CLLD.[186] There are still examples where strategy-specific indicators have been developed and introduced to capture more localised impacts matching the specific territory of the strategy (Katowice) or to pick on 'softer' or less tangible impacts of integrated approaches (e.g. development of social and human capital through surveys and research questionnaires already used for the City Strategy in Brno or surveys of levels of satisfaction of residents living in areas covered by the SUD strategy in Porto).[187] The long timeframe of place-based policies in terms of addressing local market inefficiencies and contributing to development also constrained quantitative analysis of effectiveness.[188]

Nevertheless, analysis of TDM implementation against common output indicators shows positive results for operations in TDMs under specific headings. The Database of ERDF and CF indicators by operation, compiled under Work Package 2 of the ex-post evaluation allows for the identification of operations under different TDM types (through the unique identifier 'prj_ID'). The analysis of the Database of Indicators (though covering data only as of 31/12/2020) provides insights on the achievement expected under different TDMs.

By the end of 2020, SUD ITI target values showed strong performance under CO02 (number of enterprises receiving grants), which was the most frequently used indicator in SUD ITI operations (used 4,142 times), and which had achieved 93% of targets. On the other hand, progress against indicators related to the low carbon agenda was less advanced. CO32 (decrease of annual primary energy consumption of public buildings) was used as an output indicator 467 times in SUD ITI operations and had achieved 30% of targets. CO34 (estimated annual decrease of greenhouse gas emissions) was used as a target indicator 1060 times but assessments of progress under this must take into account that it can be reported only once the operation is completed and that achievements are verified based on set methodology for calculation.

In terms of targets based on common output indicators used in SUD PrAx operations, CO39 (public or commercial buildings newly built or renovated in urban areas) was one of the most frequently used (222 times) and around one third of its target values had been achieved. Some of the other frequently used indicators showed limited or no progress. This included CO34 (with the same caveats noted

[186] van Leeuwen C et al. (2020) *Learning evaluation: The added value of the CLLD approach for urban developments, Final report CLLD Scheveningen.*

[187] Ferry M et al. (2018) 'Assessing Integrated Territorial and Urban Strategies. Challenges, Emerging Approaches & Options for the Future' *European Structural & Investment Funds Journa*l Volume 6, Issue 1: 58-67.

[188] Praxis (2013) *Preliminary evaluation of the use of EU funds for the period 2014-2020. Estonia*. Final Report; Technopolis Group (2022) *Évaluation de la contribution des axes 3 "Intelligence territoriale", 4 'Transition vers une Wallonie bas-carbone" et 5 "Développement urbain intégré" à la réalisation des objectifs fixés dans le PO FEDER 2014-2020 "Wallonie-2020.EU*". Final Report; Infyde (2019) *Analysis of the ITIs effectiveness in Spain (2014-2020).*

above), and CO22 (total surface of rehabilitated land), used 291 times but with 0% achievement against targets.

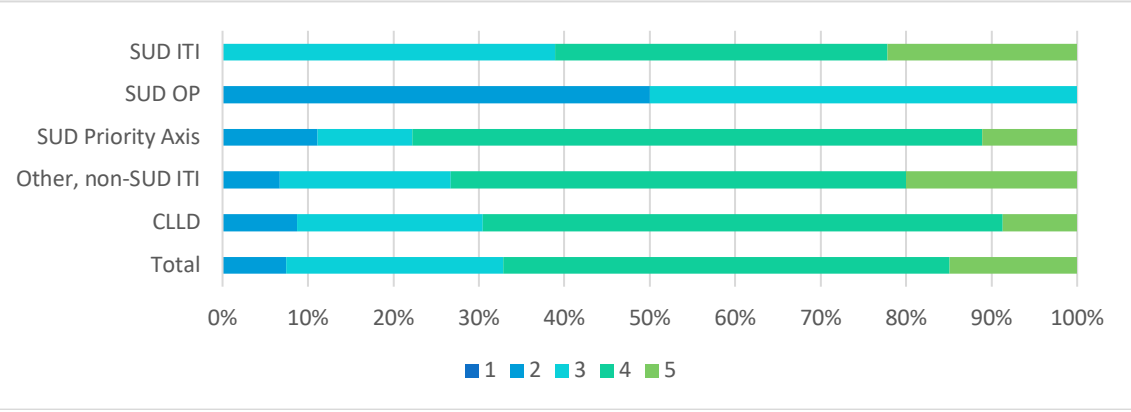
For non-SUD ITI, the most frequently used common output indicator was CO35 **(capacity of supported childcare or education infrastructure, used 715 times) and by the end of 2020 22% of target values had been achieved**. CO01 and CO02 (number of enterprises receiving support and number of enterprises receiving grants) were also frequently used and each of these had achieved around 50% of targets. CO14 (total length of reconstructed or upgraded roads) was used 146 times in non-SUD ITI operations but 0% of achievement against targets was noted.

Under SUD OP, CO35 (capacity of supported childcare or education infrastructure) was by a substantial margin the most frequently used indicator (used 306 times) and this had achieved almost half of the associated targets by the end of 2020. Targets related to the number of enterprises supported to introduce new to the market products (CO28) and number of enterprises supported to introduce new to the firm products (CO29), though used less frequently had significantly exceeded target values. On the other hand, CO01 (number of enterprises receiving support) and CO02 (number of enterprises receiving grants) had 0% progress against targets.

For CLLD, there was particularly strong performance in CO35 (capacity of supported childcare or education infrastructure). This was by far the most frequently used indicator under CLLD (used 1,101 times) and it had achieved almost 70% of its targets. CO02 (number of enterprises receiving grants) was used 158 times and had implemented 38% of target values. However, CO08 (employment increase in supported enterprises), used 178 times but with 0% implementation by end of 2020.

This generally positive assessment was shared in the survey carried out for this research. Around 15% of surveyed programme authorities and territorial strategy-holders rated progress against target values to be absolutely satisfactory, and around 50% rated it as effective. Notably, SUD ITI was rated positively by around 60% of respondents, while the rest rated it neutrally. The outlier is SUD OP, where the respondents did not rate it above 3 (representing a neutral opinion) (see Figure 21). These results were consistent across type of stakeholder (programme authority or TDM stakeholder) and across MS joining the EU before and after 2004.

Figure 21: How has progress in physical implementation (against target values and realized values for output indicators for operations in the TDM) compared to ESIF implementation in general?



Source: TDM Survey carried out by the project team, N=99
Note: Rating from 1 (absolutely unsatisfactory) to 5 (absolutely satisfactory).

To what extent have the specific operational and organisational features of the instruments played a role in the effective implementation of ERDF/CF support, and what benefits did they bring?

The research distinguished between assessment of TDM effectiveness based on progress towards targets set in individual TDM strategies and assessment of the extent to which they followed the three organising principles, theorised in the place-based literature to help policies effectively support territorial development. The three pathways of causality used to structure the report (use of territorial development strategies, territorially integrated investment and multi-level governance) were based around these organising principles and operational features, with assessment criteria to identify observable outcomes and identification of factors that could explain why anticipated outcomes were (or were not) achieved. The following sub-sections assess TDM effectiveness according to these operational and organisational features.

5.1.1. The effective use of territorial development strategies

A characteristic of TDMs as place-based instruments was the use of territorial development strategies. All TDM types were required to operate on the basis of an integrated strategy that identified the needs and potentials of a specific territory and set out objectives and actions to support its development. The research established criteria to assess the effectiveness of TDMs in terms of territorial strategic planning: territorial coverage, territorial needs analysis, including the participation of local stakeholders in drafting strategies, articulation of an intervention logic; and a performance measurement framework (including monitoring and evaluation arrangements).

(i) Territorial coverage of strategies

To what extent have the integrated territorial instruments been effective in addressing local needs?

TDM strategies were broadly effective in applying an explicit territorial lens to target CP resources. Article 7 strategies, ITIs and CLLD all applied a strategic, spatial lens to investment. Different types of territory have been supported, including: neighbourhoods and districts, administrative units of a city, town or suburb; functional areas (i.e. two or more municipalities that are combined for the sake of the strategy – metropolitan areas, twin cities, city networks, territories that combine urban and rural areas).

In several MS, the territorial demarcation process prompted close interaction between national authorities, programme authorities and territorial stakeholders to decide the scale of the area of intervention for the TDM (see Section 4.3.1). In Czechia and Poland, for instance, national guidance or criteria were often adjusted at the territorial level to cover functional spaces and to maximise investment potential. TDM strategy holders across case studies and in the research seminar discussion groups emphasised the value of being able to territorially target CP resource allocation. The types of territories targeted varied within and across TDM types but added value was evident where they were based on a functional rationale:

- A prominent example of the benefits gained through territorial demarcation was in the field of sustainable urban mobility. This represented a substantial proportion of TDM investment, particularly under SUD ITI, and demarcation

provided a framework for the interconnection of CP investment in public transport between core cities their surrounding area, overcoming previous problems with the fragmentation of investment.

- In some MS contexts, TDMs were the only instrument available to tightly focus or 'micro-zone' funding on smaller spaces, such as pockets of deprivation or locations of disadvantaged communities within cities or towns or capture urban/rural dynamics (e.g. CLLD in Romania, SUD ITI in South Rotterdam).
- Shared challenges, for example related to geographical features informed territorial demarcation of TDMs across larger territorial spaces. This was highlighted in non-SUD ITI case studies (e.g. ITI Danube Delta, Azul). Where strategies covered numerous dispersed settlements, territorial demarcation was informed by the need to achieve critical mass (i.e. ensuring the number of municipalities covered was proportion to the level of funding available).

However, this was not the case in all contexts. There were challenges related to TDM or MS regulations that limited the demarcation of TDM strategies according to functional, territorial rationales.

- Some TDM strategies, notably SUD PrAx, often followed administrative boundaries rather than covering functional spaces. In some cases, political considerations played a role in the demarcation process and single towns or cities were designated as strategy holders. In MS with many small municipalities, covering functional linkages in TDM strategies has been challenging. This has been the case in accommodating Article 7 requirements in the territorial demarcation of ERDF Article 7 strategies, where the absence of an administrative level covering FUAs led to the establishment of several smaller strategies based around individual municipalities, limiting the coverage of functional linkages.

- EU and national regulations also set limits or disincentives on the use of certain types of TDMs in certain geographical contexts. For instance, CLLD was not allowed to contribute to fulfil the obligatory Article 7 earmarking and therefore there was no programming incentive to use CLLD in a SUD strategy (an issues which has been addressed in the 2021-27 regulations). Conversely, a specific territorial priority axis was not allowed which explains why SUD PrAx TDMs were only used in cities.

(ii) Territorial needs analysis and participation of local stakeholders in drafting strategies

This report's review of TDM strategies and insights provided by case studies, indicate that territorial authorities played significant roles in drafting, including the carrying out of detailed needs analyses, usually within frameworks set by national or programme authorities (see Section 4.2.1). Local authorities across the strategies covered in the case study research were actively involved in the drafting process, including the analysis of territorial needs, and this increased the scope for strategies to draw directly on local knowledge and capture place-specificities.

- The process of carrying out a territorial needs analysis was considered resource intensive for some of the strategy-holders. They often drew on other studies and analyses in the territory (supporting external coherence) and external expertise was made use of (through support from programme or national authorities and consultants). Some interviewed strategy holders highlighted the importance of maintaining the place specificity of strategies and local ownership while drawing on external support was challenging. However, there is evidence of strategic

capacity being built where external assistance was drawn on (e.g. SUD ITI Lublin assuming full responsibility for strategy drafting in 2021-27).

- Although Commission guidance (specifically for SUD ITI) emphasised the value of drafting TDM strategies through active participation from empowered territorial actors, co-production and collective decision-making on goals and actions largely involved interaction between local authorities themselves. The work of territorial strategy holders operating below the level of programme authorities increased the scope for local stakeholders to exert influence over strategic directions (through bilateral meetings, thematic working groups etc.) but this was based on consultation or engagement rather than co-production. The main causes of this cited by interviewees were the limited time and resources available to organise participatory processes and feed their results into strategies, particularly in settings with limited traditions of civil society engagement.

(iii) Articulation of a strategic intervention logic

An explicit intervention logic was highlighted as an important element of CP programmes in 2014-20, articulating how EU funding can be used effectively to meet the needs identified. In 2014-20, mandatory ex ante evaluations of each programme focused on the clarity of the intervention logic. Commission guidance for TDM strategies pointed out the value of intervention logics in explaining how features of the TDM would support the territorial needs and potentials identified.

The absence or limitations in the design of an intervention logic in TDMs was a recurring outcome of the research (see Section 4.2.3). A review of the evaluation literature highlighted weaknesses in the development of an overarching logic or rationale for the use of TDMs. The strategies associated with these instruments often included objectives related to relevant needs without making explicit the intervention logic and the overarching theory of change for the territory concerned.[189] Case study research confirmed these findings. This identified limited examples of an explicit intervention logic in strategies (e.g. based on the scope for SUD ITI to integrate investment in social and economic development in South Rotterdam or the use of SUD ITI to strengthen functional linkages between the two FUA cores in Hradec-Pardubice. However, the general picture emerging from research was the weakness of territorial intervention logics in TDM strategies. Unlike at programme level, there was no regulatory requirement to include an intervention logic. Moreover, the decision to use a TDM was taken at a higher level, particularly in the case of SUD strategies funded under ERDF Article 7. Thus, for territorial strategy-holders, a pragmatic rationale behind the use of TDMs was frequently evident: to respond to higher level decisions and use existing experience and capacities to access the funding available.

It should be noted that research revealed the existence of territorial intervention logics for the use of TDMs, even in the absence of explicit or detailed descriptions. Interviews with programme authorities and strategy holders during case study research showed that there were territorial rationales for using TDMs in different types of places (districts/neighbourhoods, cities/towns, FUAs, larger rural/polycentric areas). Nevertheless, weak or absent intervention logics meant that links between territorial needs, priorities and actions were often opaque and this increased the danger of 'non-

[189] See, for example Churski P (2020) *Ewaluacja Strategii Zintegrowanych Inwestycji Terytorialnych dla rozwoju Aglomeracji Kalisko-Ostrowskiej.* Sepp V et al. (2020) *Interim evaluation of the priority direction "Sustainable development of urban areas" of the CP Funds Implementation Plan 2014-2020*. UT Social Science Applied Research Centre, Tartu. Ordered by Ministry of Finance, Estonia; Estep (2018) *op. cit.*

strategic' projects (i.e. focusing on the absorption of funding rather than integrated, strategic rationales). Moreover, the absence of a clear intervention logic weakened linkages between TDM objectives and actions were not clearly linked to the objectives and risked insufficient focus on results (see below).

(iv) Performance measurement framework (including monitoring and evaluation)

TDMs were part of a CP framework that in 2014-20 placed substantial emphasis on the results-orientation of investment. As part of this, MS authorities were tasked with setting up monitoring systems to assess performance by tracking progression towards established target values in relation to output and result indicators and evaluation arrangements to generate evidence to inform decision making. Arrangements for TDM monitoring and evaluation had the potential to generate important territorial knowledge to inform revisions of existing strategies and the preparation of new ones and also generate knowledge on the value of TDMs as new, innovative CP instruments.

TDMs frequently struggled to overcome the monitoring and evaluation challenges commonly faced by place-based policies (see Section 4.2.4). This included reconciling functional/administrative boundaries for identifying indicators and accessing data sources, measuring integrated rather than sector specific effects and capturing less tangible results (e.g. related to strengthened local governance) and long-term outcomes terms related to addressing inefficiencies in local markets and institutional frameworks.

TDMs were also challenged by the need to fit into CP's multi-level monitoring system. Adding strategy specific indicators to programme specific indicators risked creating an excessive list, data overload and additional administrative cost for programme authorities. Most TDM types had no specific regulations for monitoring and evaluation. This created flexibility for programme and territorial authorities but meant that TDMs frequently based monitoring and evaluation on programme rather than strategy level indicators and systems. Case study interviews with strategy holders indicated that this was seen as a weakness. Programme-level indicators were seen as generic, potentially missing place-specific results and impacts.

Within this, there was some variation across TDM types according to regulatory provisions. Notably, monitoring and evaluation are amongst the tasks attributed to LAGs by the CPR (Art. 34 (3)). All CLLD case studies had their own sets of indicators and targets specific to their strategy, in addition to programme-level monitoring systems. This meant that typically there were indicators at two levels: first, compulsory indicators established by MAs at programme level, which were designed to ensure a link between the LAGs and the programmes. Second, there was a set of indicators are strategy-specific for self-assessment. The research also identified comprehensive monitoring and evaluation systems in other TDM types, frequently where strategies could draw on existing domestic frameworks at territorial level (e.g. Gelsenkirchen as the only SUD PrAx to put in place a 'stand-alone' system, building on an existing urban monitoring framework) or where the high level of associated funding justified establishing dedicated arrangements (e.g. in Czechia, see Box 18).

Box 18: SUD ITI evaluation arrangements in Hradec-Pardubice (Czechia)

The Hradec-Pardubice case was exceptional among SUD ITI cases in taking a multi-level, comprehensive approach to evaluation of strategies (reflecting the significant allocation of funding made to SUD ITI in the Integrated Regional OP). This is building evaluation capacity in the FUA, and important data and findings have already been generated at different levels. The Czech National Coordination Authority has also carried out a mid-term process evaluation of integrated territorial tools. Notably, the Czech national methodological framework for ITI tools

required individual strategy holders to perform a mid-term evaluation in 2019 and a result evaluation in 2024. The mid-term evaluation of SUD ITI Hradec-Pardubice identified the most serious impediments to effective implementation (concerning delays in preparing key operations among applicants, complex procedures for approval of changes in operations, varied ITI implementation systems from contributing MAs) and facilitators (the establishment of a monitoring system for the SUD ITI, good cooperation between applicants, IB and MAs).

Source: based on case study research

Table 24 summarises findings from different TDM-types in terms of the effective development and use of territorial strategies.

Table 24: Effectiveness through development and use of territorial strategies

TDM	Findings
SUD ITI	In comparison to other CP delivery models, strategies enhanced potential for investments to support spatial interdependencies by combining national top-down and local bottom-up approaches to demarcation of their territorial coverage. Prominent focus on FUA coverage, supporting sustainable urban mobility. Value of territorial needs analysis in informing priorities, identifying previously underestimated issues in the urban territory (especially across FUAs). Constraints on bottom-up inputs due to varied capacity and mobilisation of urban stakeholders (e.g. communities, citizens) and strong top-down influence of programme-level priorities. MAs and IBs recognised value in developing dedicated monitoring and evaluation systems for strategies but challenges in identifying indicators, data collection system so depended on existing capacities or external Technical Assistance.
SUD OP	Limited innovation through territorial demarcation in three of four cases as previous programme area was continued. Some benefits introduced through microzoning. Italian OP Metro was innovative by focusing on FUAs and bringing all metropolitan areas together under one programme. Role of urban authorities as MA facilitates local orientation but where a continuation of predecessor programmes, absence of territorial strategy raised questions of local orientation towards SUD. Exception was OP METRO which coordinated local action plans co-produced by the national level and city authorities. Automatically required monitoring framework and evaluation plan. Still, challenges in monitoring and evaluating the integrated and territorial elements of the SUD OPs reported by programme authorities.
SUD PrAx	Investments could improve effectiveness of CP by following functional rationales, combining national top-down and local bottom-up approaches to demarcation of territorial coverage. However, in comparison to SUD ITI, more likely to cover single cities or towns, limiting functional rationale. Strong incentive to base monitoring and evaluation of the PrAx strategies solely on OP systems and indicators and this risked identification of specific integrated, territorial effects. Focus on process evaluations reflects a view of SUD PrAx (and other TDMs) as an implementation mode rather than a measure in itself.
Non-SUD ITI	Framing the ITI strategy around a shared geographical asset provided more opportunities for local involvement across administrative borders and sectors and encouraged greater functional thinking in territorial strategies. Strong emphasis on addressing the specific needs of the territory covered (including territories with specific geographical characteristics), often based on priorities highlighted in existing regional and local studies and strategies. Challenges (developing indicators, collecting data across diverse and sometimes geographically large territories), meant that OP systems and indicators used heavily in some strategies.

CLLD	Micro-zoning targeted investment in urban LAGs, e.g. on areas of deprivation or specific communities within cities or towns. Territorial knowledge from the local level was a contributing factor but also pre-existing cooperation (e.g. in LEADER). Key benefit is role of local actors in LAGs, supports bottom-up approach that is better suited to identify place-specific needs of territories compared to mainstream programmes. Important caveat is that this depends on (territorially varied) experience and capacity of LAGs. All selected CLLD LAGs had their own sets of indicators and targets specific to their strategies, in addition to programme-level monitoring systems. Planned evaluations not always carried out due to capacity constraints.

Source: own elaboration based on case study research.

5.1.2. Territorially integrated CP investment

CP-funded TDMs were intended to provide mechanisms for formulating integrated responses to place-specific needs, making CP more effective by taking a 'joined up' approach to addressing complex territorial development challenges in a single territory. Through the integration of inputs from different priorities or programmes, TDM strategies could improve effectiveness compared to 'mainstream' CP, introducing more sophisticated responses to issues that had connected social, economic and environmental components in specific territories.

(i) Integration at strategy level

TDMs have been effective in terms of the promotion of an integrated thematic approach, combining different sectoral headings within a territorial strategy. A review of TDM strategies and evaluations identified numerous cases where TDMs promoted stronger integration of sectoral issues into local economic development measures. Such benefits gained through thematic integration in TDM strategies were particularly evident for TDMs applied at larger regional or FUA scales. In Portugal, for instance, an important outcome of the Pacts for Development and Territorial Cohesion, which implemented non-SUD ITI in the regions, was that they created a space to plan, design and implement transversal, supra-municipal and inter-municipal projects in the field of education and climate change responding to common problems in an integrated way.[190] Integration of thematic interventions funded by multiple OPs was also highlighted in an evaluation study in Bulgaria (e.g. combining urban transport infrastructure and ecological modes of mobility), which also reported that a larger part of the municipalities covered by SUD PrAx strategies (69%) considered that the support led to better synergistic effects, compared to support from other mainstream CP programmes.[191]

These findings from secondary data were supported by case study research across TDM types but were particularly prominent in ITI and CLLD cases. CLLD Local Development Strategies covered in the research integrated different themes, reflecting the diversity of territorial contexts. For instance, ADREPES Urbano focused on encouraging entrepreneurship and business start-up alongside social entrepreneurship and networking support. Caracal instead, concentrated on social inclusion and improvement of the urban fabric. A basic aim of ERDF Article 7 SUD strategies was to addresses complex urban challenges by building multi-faceted responses and the selected strategies adopted this cross-sectoral approach in presenting their priorities, with sections setting out how different priorities and actions should work together. In the Piraeus strategy, the needs identified were mapped against multiple priorities (e.g. investment in urban revitalisation took into account other urban mobility, social

[190] ISCTE (2022) *op. cit.*
[191] Ecorys (2021) *op. cit.*

infrastructure and low carbon measures). In Rotterdam, according to interviewed strategy holders, the role of the TDM was to provide a 'bridge' between educational and business sectors, specifically in areas such as healthcare, the port industry and technology and in this it included priorities from ERDF and ESF OPs. The ITI Hradec-Pardubice strategy also included explicit descriptions of cross-sectoral potentials in its priorities based on a cross-sectoral integration matrix.

(ii) Integration at operations level

The research generated evidence of TDM effectiveness in coordinating operations according to a functional, territorial rationale. These covered a range of strategic objectives based around strategic, 'flagship' projects that comprised a series of actions from beneficiaries across the territory (e.g. related to sustainable urban mobility or revitalisation of a territory), territorially networked projects that connected different operations across places and sequential or parallel projects to provide ongoing support to specific beneficiaries or communities. These processes have been apparent across TDM types, producing different types of integrated projects (see Table 25 and Section 4.3.2 for detail).

Table 25: Integrated operations in TDMs – types and examples

Type of integrated operation	Description	TDM examples
'Flagship' projects	Discussion between programme authorities, strategy holders and beneficiaries and also use of project selection criteria that incentivise strategic operations that cluster range of actions around a strategic location.	Combining infrastructure support for education and for culture to redevelop industrial site (SUD ITI Hradec-Pardubice Automatic Mills Centre). Mixed-use food market in deprived district (SUD OP Brussels). Revitalisation of Rosignano Solvay area supports economic, social and environmental actions (SUD Metro Rosignano Marittimo).
Territorially networked projects	Discussion between programme authorities, strategy holders and beneficiaries and also use of project selection criteria that incentivise connected activities in different parts of the territory.	Sustainable urban mobility between core cities and surrounding municipalities (SUD ITI Lublin, SUD ITI Tartu) Coordinated investment in cultural heritage through integrated activities across the FUA (SUD ITI Rijeka)
Sequential or parallel projects to support specific beneficiaries or communities	Preferential treatment to applicants for repeated support in order to complement other projects and achieve substantial local impacts.	Coordinating operations addressing demand for training from young people with business support and urban renewal projects (SUD ITI France, Netherlands) Coordinating infrastructure support with social inclusion, education in deprived areas (CLLD Romania, Czechia)

Source: own elaboration based on case study research.

However, developing strategic, territorially or functionally connected operations faced considerable administrative and time pressures given programme level spending targets. Particularly where local authorities had limited capacities and experience, there was a tendency to submit only the most straightforward or already existing project plans that were not functionally integrated with other investments and could equally have been supported by 'mainstream' CP. Moreover, the research identified the risk of TDM operations being dispersed across administrative jurisdictions according to redistributive rather than strategic or functional rationales. Case study

interviewees and seminar discussants noted that this risk was potentially greater in TDM strategies covering larger territorial categories involving multiple municipalities (e.g. SUD ITIs) with limited previous experience of working together. Finding a method of resource allocation acceptable for all municipalities was often a crucial condition without which joint ITI implementation would not be possible and this did not always align with functional territorial logics.

According to case study research, multi-fund integration within TDMs was particularly challenging, especially at level of operations (see Section 4.3.2)**.**

Table 26 summarises findings from different TDM types in terms of the effective integration of investment in strategies.

Table 26: Effectiveness through integration in different types of TDM

TDM	Findings
SUD ITI	Possibility to leverage contribution from several OPs. Scope for higher level of thematic diversity, better integration of funding sources, and better response to urban needs. Facilitated generation of strategic, territorially, thematically coordinated operations in a territory and reduced the risk of competition or duplication among funding applications. Integrating ERDF and ESF not achieved at operational level, although project calls from these funds were often coordinated.
SUD OP	Italian OP Metro innovative, although integrating investments between core urban centre and surrounding UAs constrained by the absence of strong administration at metro level. Possibility of greater thematic integration through the OP structure, although thematic concentration requirements limited this in MDR. Less scope to combine themes and funding across OPs, as was possible under ITI. Plans to integrate ERDF and ESF undermined by differences in regulatory regimes and management and implementation systems. Brussels SUD OP stimulated innovation through integration of CP and domestic investments.
SUD PrAx	Evidence of coordinated operations through strategic collaboration between municipalities even where territorial coverage of the strategies was based on administrative boundaries. Integrated investment through operations also concerned the combination of CP and domestic urban development funding streams. However, the complexity of aligning ERDF and ESF funds meant that combining them in operations was not attempted.
Non-SUD ITI	Limited functional integration of operations. Limited ability to integrate funds at operational level due to fund-specific and local regulations.
CLLD	Substantial share of ESF compared to other TDMs. Integration combination of different funding sources proved to be difficult: multi-Fund projects not possible due to different rules and procedures (but there are examples of coordination rather than integration).

Source: own elaboration based on case study research.

5.1.3. Use of multi-level governance systems

Key to these territorial instruments is their focus on strengthening place-based management and implementation of CP within its multi-level policy governance systems. They have been used to steer territorial development through the allocation of management and implementation tasks to different configurations of national, sub-national and local jurisdictions. As part of this, there can be a focus on capacity-building and implementing a 'learning-by-doing' culture into policy design to help previously inexperienced authorities develop more strategic use of CP funds. In some contexts, this capacity-building has benefited broader governance at local level outside of CP management and implementation.

(i) Delegation and capacity-building at local level

Delegation of CP implementation was an important feature of TDMs that offered substantial benefits. In most TDMs, a local authority or an association of local authorities took formal responsibilities in strategy implementation and in the generation of projects. This delegation was accompanied by new systems, structures and tools that increased the contribution from territorial partners and stakeholders. In some cases, implementation by local authorities has required new organisational arrangements (e.g. associations of local authorities or secretariats, steering groups, working groups and other platforms). In some contexts, TDM governance prompted new municipal units or departments or local agencies with administrative capacities beyond CP (Table 27, see Section 4.4.1 for more detail).

Table 27: Examples of delegation and capacity-building per TDM type

TDM type	Delegation and capacity building
SUD ITI	Rijeka - IB in city had no experience of CP management but capacity built with support of national government. Establishment of new Department of Strategic Planning in city marked a change in city's approach to strategic development.
	Lublin - Delegation of tasks to IB in core city administration, including preparation of project proposals. Represented new local engagement with CP. Capacity-building reflected in shift from formal agreement that core city in FUA is IB in 2014-20 to establishment of association of FUA municipalities as new organisation.
	Piraeus - Tasks delegated to IB in city prompted new Municipal Company set up for implementation. This now provides broader administrative and technical support to city authorities.
SUD OP	OP Metro - Innovative governance model included delegation to IBs in cities. Positive influence on capacities of city administration and partnership-working noted by interviewees.
Non-SUD ITI	ITI Epirus - Establishment of a coordinating organisation (Destination Marketing Organisation-DMO "EPIRUS") to support local tourism enterprises, the participation of residents and its promotion on the internet.
CLLD	Caracal - new Local Action Group established, delegation of project selection to local level seen by interviewed strategy holders as innovative structure for community representation.
	Harz - existing structure has become more formalised over successive programme periods. The legal status of the LAG was originally a loose grouping of organisations but has evolved into a registered association with more formal working procedures and an increased budget.

Source: own elaboration based on case study research.

There was variation in the extent of delegation, linked to the regulatory requirements and specific features of TDMs. Notably, CLLD involved the establishment of LAGs and under SUD, ERDF Article 7 required delegation of implementation tasks to urban authorities. In non-SUD ITIs, MAs authorities often played a more dominant role where Article 7 requirements did not apply. This was particularly the case where non-SUD ITI strategies covered large territories and strong central management was needed to avoid fragmentation (e.g. ITI Azul).

Where territorial authorities had limited capacity and experience in implementing CP, programme authorities concerned about absorption issues and regulatory compliance were often reluctant to delegate substantial tasks. For example, in the case study of SUD ITI Piraeus, the original intention to fully delegate implementation

tasks to the city was ultimately not realised eventually due to the inexperience of the IB. In SUD ITI Slovenj Gradec, the delegation of tasks to the city level limited to drafting the strategy (the IB role was played at a higher level by the Slovenian Association of Urban Municipalities in order to ensure sufficient capacity).

(ii) Horizontal and vertical coordination

Implementing TDMs has improved vertical coordination between programme authorities and local authorities (see Section 4.4.2 for more detail). The generation and selection of projects required coordination of tasks between levels, building important networks between MAs, IBs and local authorities covered by the strategy. Related to this change were changes in the culture of governance and the way different levels interacted. There is evidence from the research of stronger cooperative approaches, with actors coming together to discuss the use of CP within a strategic framework, overcoming traditional hierarchical orientations in multi-level governance (See Box 19).

Box 19: TDM innovation in multi-level coordination in the OP Metro (Italy)

As a new programme, the OP Metro was exceptional among SUD OP cases in prompting innovative multi-level coordination structures and processes. Interactions across city level IBs and the national level (MA - the Agency for Territorial Cohesion) were strengthened through the TDM structure, creating new spaces for multi-level dialogue. In preparing the OP Metro, neither the MA nor the metropolitan cities acting as IBs had ever built an ITI or similar type of instrument. Since the objectives of the programme were very targeted and funding was limited, it was necessary for the MA and cities to work at the level of the individual Operational Plans in an iterative way. The MA created fora for multi-level dialogue and exchange of practice between the metropolitan cities arenas for regular, intense discussion, with the establishment of thematic working groups that have representation from multiple levels. A technical secretariat was set up and, as noted by interviewees, the MA often helped city administrations to solve sometimes significant technical problems encountered in OP implementation (e.g. concerning the revision of indicators for some measures). This initiative was seen by city-level stakeholders not only as a valuable solution to a specific implementation problem but as a demonstration of the benefits of multi-level coordination in the TDM. According to MA and IB interviewees, the novelty of the TDM management and implementation structure was its support for 'collective co-creation', rather than hierarchical governance:

"*Multilevel governance was the key element. This meant getting down from the pulpit, getting off the step, taking off the role of the MA or the IB, getting to work and solving the problems. In almost all situations this has been successful and there is a huge relationship of trust, esteem and collaboration on the part of everyone"* (representative of OP Metro MA).

Source: Case study research and WP13 seminar.

Strengthened horizontal coordination was particularly evident in TDMs covering metropolitan or functional urban areas. Indeed, in several MS covered in the case study research (e.g. in SUD ITI in Poland, SUD ITI in Czechia and SUD OP Metro in Italy) a basic rationale for using TDMs was to address inefficiencies caused by administrative fragmentation at local levels through the establishment of associations of municipalities or different forms of multilateral agreements covering the territory. The regulatory requirements and funding incentives of TDMs helped strengthen contacts between political and administrative leaders in local authorities and are providing the basis for broader development of inter-municipal or metropolitan governance.

Coordination benefits were less evident where strategies were based on single cities or towns. Coordination depended on promoting collective benefits, building trust and consensus among municipal representatives. Where TDM strategies were based on

single administrative units (towns or cities) the incentive for horizontal cooperation was less evident (e.g. in SUD PrAx in Germany, SUD ITI in Greece). Where single municipalities were strategy owners the transaction costs associated with inter-municipal coordination were reduced but the risk of fragmentation, duplication and rivalry in accessing CP funding was more apparent. Engagement of political leaders was crucial to ensure strategic rather than redistributive allocation of funds. Moreover, case study interviewees noted that vertical coordination of TDMs, particularly ITIs, was complicated where strategies were supported by multiple programmes and CP funds, with MAs located in different ministries and sometimes at national and regional levels (e.g. in Czechia).

(iii) Mobilisation of territorial actors

A crucial added value of TDMs was their potential to bring CP 'closer to the people' by opening up new processes and arenas for communities and citizens to play a part in management and implementation. The research identified examples where increased capacity and empowerment of local actors and communities was achieved in some through the opening up of new arenas for CP engagement at the local level. TDMs have played an important role in building capacities in communities through involvement in governance structures (ITI bodies, CLLD LAGs) and through training, workshops and animation activities. Under CLLD in particular, LAGs contributed to the activation of local communities. In the case of the CLLD Caracal in Romania, this included communities previously marginalised and/or disengaged from CP and civic life more generally. This helped to build social capital, facilitating further the creation of new cooperation networks and partnerships between various entities (sports, culture, businesses, residents).

However, with the exception of CLLD, case study research indicated problems in raising awareness of TDMs and mobilising potential beneficiaries from outside of public administration. Programme authorities and territorial strategy holders stressed the significant effort required to engage new stakeholders and organisations and local public administrations were the dominant beneficiaries of TDMs in the case studies covered in comparison to universities, businesses, and civil society. The translation of this into mobilisation of local actors from outside of public administration in the planning and delivery of CP has proven difficult, due in part to unfamiliarity with these instruments and perceptions of the associated administrative challenges.

Table 28 summarises the extent of added value gained through TDM governance for different types of TDM.

Table 28: TDM effectiveness through MLG

TDM	Findings
SUD ITI	Examples of new or improved vertical and, especially, horizontal coordination, increasing role for local authorities, local communities, NGOs and other sub-national bodies. Innovation where traditions of bottom-up urban policymaking weak or absent but without accompanying capacity-building risk of limited delegation and governance effects. A weakness has been limited mobilisation of new actors from outside of urban authorities. Perceptions of the tool's regulatory and administrative complexity have been a disincentive for potential beneficiaries from outside public administration, especially given competition from other domestic and CP sources. However, beneficiaries also saw benefits in the SUD ITI administrative process, in terms of improving project quality and assuring successful applications.
SUD OP	Continuity in governance systems limited innovation. OP METRO was an exceptional case as an effort to innovate in governance of development policy and planning practice, explicitly addressing the metropolitan dimension and building multi-level links between cities and national government. Risk that following standard OP partnership requirements, would

	restrict mobilisation of new urban actors. Some emphasis on multi-disciplinary and cross-sectoral collaboration between stakeholders and targeting of specific actors for mobilisation activities.
SUD PrAx	Innovation in policy governance limited in comparison to some other TDMs by the use of existing OP management and implementation structures and systems. Nevertheless, some innovation in contexts where urban authorities had previously been engaged only as CP beneficiaries: process of strategy design and delivery constituted a learning opportunity for authorities, especially with external technical assistance. Strong focus on mobilisation of urban administrations themselves (municipalities often only beneficiaries). Limited mobilisation due to subsumption of strategies within a programme PrAx, reducing distinctiveness as urban development initiative. Mobilisation of new actors extremely resource-intensive for MAs and IBs but some responded by drawing on previously existing participative process and urban networks, including EU platforms.
Non-SUD ITI	Non-SUD ITIs triggered CP governance innovations, mainly leading to closer collaboration across levels of government, across administrative boundaries and among the different local stakeholders, sometimes involving creation of new platforms and territorial organisations. Mobilisation of new actors occurred through creation of new networks and platforms for collaboration or expansion of existing partnerships. However, in some cases the engagement of territorial stakeholders did not go beyond the 'usual suspects' due to time constraints, and limited traditions of participation). Engagement of different stakeholders in governance sometimes brought forward voices opposing the strategy being implemented and blocked some operations.
CLLD	In territories and among actors without LEADER experience, LAG structure an innovation in itself – offered a structured working framework which brings different types of actors together as part of a multi-year strategic process. Allowed formalisation of existing local links. Multi-Fund CLLD widened the range of beneficiaries, including in some cases marginalised communities and underrepresented actors. Allowed for the realisation of projects that otherwise would have unlikely to have been supported.

Source: own elaboration based on case study research.

5.2. Efficiency

Implementation of TDMs was delayed due to lengthy preparatory phases. The contracted share of planned allocations under TDMs was initially lower compared to non-TDM investments. More intensive preparations were required compared to 'mainstream' CP projects. Delays during implementation were driven by inefficiencies in public procurement, longer periods required for project approvals compared to mainstream CP, changes in regulations, and complex domestic governance arrangements. However, the novelty of the instrument and the innovative approach taken by some authorities to implementation were also associated with the delayed start.

By the end of 2022, financial implementation of TDMs had improved considerably, catching up with progress in non-TDM CP implementation. There was some variation across TDMs, with levels of declared expenditures in SUD ITI and CLLD higher than for non-TDM investments. Financial implementation under SUD OP has had to accommodate the receipt of REACT-EU funding.

The importance of MAs or IBs was highlighted in addressing efficiency issues, working with local authorities to accelerate implementation. Perceptions of implementation efficiency and the presence of 'bottlenecks' in TDMs varied across countries, depending on the extent and quality of coordination or duplication of tasks across organisations and administrative tiers. Differences in perception could also be identified between programme authorities and those involved in TDM implementation, related to the distribution of administrative burdens.

New regulatory provisions for the 2021-27 period have introduced more flexibility, addressing some of the bottlenecks identified.

According to the Better Regulation Guidelines and the Better Regulation Toolbox, efficiency considers the resources used by intervention for the given changes generated by the intervention (which may be positive or negative) and differences in the way an intervention is approached and conducted that can have a significant influence on the effects.

Have any inefficiencies and obstacles been identified? If any, how were they addressed?

Implementation of TDMs was initially slower than other CP investments. According to a review of the evaluation literature and case study research, this was largely due to the need to invest time and resources in adapting CP management and implementation systems to accommodate TDM requirements. Specific issues can be identified.

The process of designating the appropriate delivery bodies (as required under ERDF Article 7) and governance structures was often a lengthy process. This was apparent across all TDMs but strongly highlighted in the case studies covering SUD ITIs, particularly where there was no equivalent domestic administrative body to build on (e.g. as was the case in strategies covering metropolitan areas or FUAs in Poland, Italy, Czechia). Similarly, the process of selecting LAGs under some CLLDs, also took time and delayed the start of implementation (e.g. in Portugal and Romania).

The development of territorial strategies was also time consuming and, in many cases delaying the start of implementation. Drafting territorial strategies necessitated an iterative process, carrying out an analysis of needs and potentials and aligning the priorities of different stakeholders at national, programme and territorial levels. Again, these processes were particularly time consuming where other territorial strategic frameworks were not present to build on and where there was no experience with a bottom-up input into strategy-drafting.

The evaluation literature has noted that where experience was limited, the processes of drafting strategies was significantly more complex and time-consuming[192] and this point was raised in the research seminar by practitioners from those contexts (e.g. SUD ITI in Slovenia). In these cases, drafting this first generation of TDMs was a first, challenging step (although there are now strategic documents to work on and to improve).

Generating and implementing strategic territorial projects often involved investment of time and resources, particularly at the beginning of the programme period. The risk of duplication of tasks across levels also had to be addressed. Developing projects for TDM strategies was often more intensive compared to 'mainstream' CP projects. This often involved a lengthy process of negotiation between programme authorities, territorial strategy holders and applicants, especially where non-competitive project generation and selection modes were used. The review of evaluation reports highlighted delays in project approvals in TDMs compared to mainstream CP, stemming from the involvement of multiple levels in the process, unclear allocation of responsibilities and in some cases duplication of procedures.

It is notable that these issues were frequently associated with ITI and CLLD as instruments that involved new implementation processes and new configurations of actors in comparison to SUD PrAx and SUD OP instruments which were more closely linked to mainstream CP systems. This message emerged from a review of policy and academic literature and evaluation studies. In Estonia, for instance, efficiency was

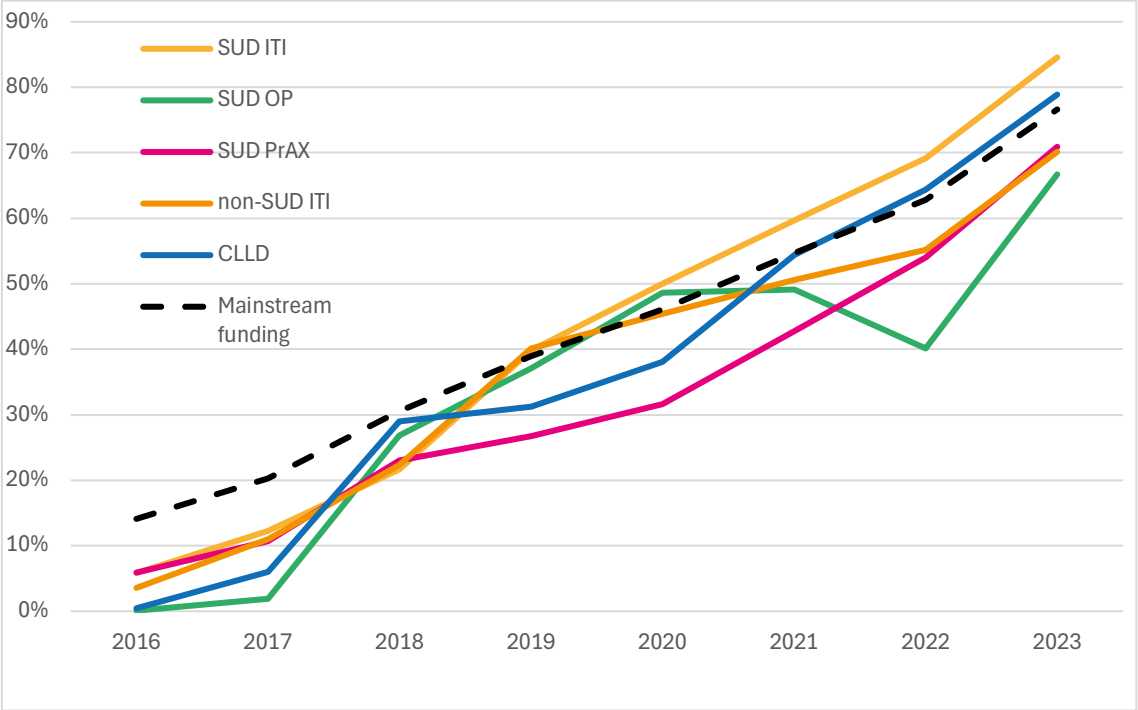
[192] Greek Ministry of Development (2020) *Evaluation of the application of the Spatial Tools in Greece in the programming period 2014-2020 1st Deliverable - "Development of Methodology"*

questioned as project selection involved a two-stage process with separate inputs resulting from the work of expert group and intermunicipal negotiations.[193] In the Flemish non-SUD ITI, misunderstandings and mis-communication were highlighted, along with tensions between the regional and the federal level of government.[194] Under CLLD, a perception of increased administrative burden was reported by LAG managers in Saxony-Anhalt and this was associated with increased complexity of the multi-Fund CLLD approach (e.g. in terms of the number of approval bodies, higher number of guidelines and the differences between them).[195] The challenges and delays facing non-TDM projects in in terms of obtaining the necessary permits and procurement documentation were complicated where strategies linked projects across territories: delays in one operation often had implications for others. A representative example of the efficiency challenges stemming from the generation of TDM projects comes from the research case study of SUD ITI in Lublin (Poland) where the participation of IBs alongside MAs initially increased administrative complexity in the system of selection, implementation and control of ITI projects, due to duplication of functions and procedures. According to interviewees, the dispersion of competences between MA and IB made it very challenging to meet targets for contracting and certification of allocations. Moreover, awareness of the dedicated pool of funds for the ITI (under the non-competitive mode) meant that beneficiaries knew that the funds dedicated to them would not be lost and they thus focused attention on competing in other open calls for proposals. However, interviewees in the case noted that by 2019/2020, the non-competitive mode proved its value and the project pipeline became more efficient.

Implementation of TDMs became more efficient over time, reflected in accelerated spending and a satisfactory level of declared expenditures by the end of 2023, relative to non-TDM CP funding. There was some variation across TDM types (see Figure 22). SUD ITI and CLLD were the two best performing (by the end of 2023 they had achieved 85% and 79% respectively of declared expenditures to decided expenditures, compared to 77% for non-TDM ERDF/CF investments. Absorption under SUD PrAx by the end of 2023 stood at 71%, non-SUD ITI was 70%. Financial absorption of SUD OPs by the end of 2023 stood at 67%, the lowest level. In part, this can be attributed to additional REACT-EU funding that was allocated to them during the programme period.

Figure 22: Financial progress of TDM implementation (% of total declared expenditures to decided expenditures)

[193] Sepp V, Mägi M and Veemaa J (2020) *op. cit.*
[194] IDEA Consult (2018) Mid-term evaluation ERDF Flanders 2014-2020.
[195] Scholz F et al (2020) *op. cit.*



Source: Cohesion Open Data, 2014-20 categorisation dataset (2023). Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

It is notable from this that the two best performing TDM types in terms of absorption were those where initial delays related to the establishment of new structures and processes were most prominent. Although a variety of factors are likely to have played a role in increasingly efficient financial performance, especially of SUD ITI and CLLD, a prominent message emerging from a review of the literature and from this research is the importance of initial investment of time and resources by MAs and IBs. This was vital in addressing efficiency issues, working with to accelerate implementation e.g. via communication, advice and practical support for applicants and beneficiaries.

Evaluations have noted that this administrative effort, particularly in the early stages, resulted in some SUD ITI cases in increased success rate of applications compared to other projects, a reduced rate of financial corrections, and also in the relatively higher satisfaction of the applicants with the integrated tools. In some evaluations (e.g. of SUD ITI in Poland), support for coordination across local stakeholders was seen not just to increase the efficiency of implementation in 2014-20 but to offer longer-term advantages. It created the possibility of introducing jointly developed, repeatable solutions that coordinated activities into a larger whole to reduce their costs through economies of scale.[196] According to evaluation studies, Intensive work by programme authorities in the preparation of integrated strategies and projects resulted in more efficient implementation later on.[197]

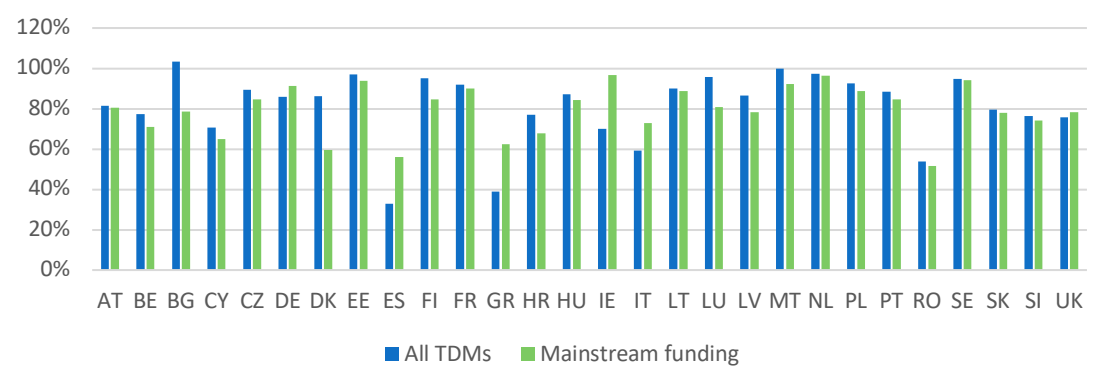
Beneficiaries interviewed in the course of the research argued that TDMs had facilitated access to CP and provided a supportive environment for efficiently developing and implementing projects. The benefits of closer cooperation between applicants and territorial strategy holders in the development of efficient project pipelines

[196] Ego (2020) Badanie ewaluacyjne: Kompleksowa ocena instrumentu Zintegrowane Inwestycje Terytorialne w ramach RPOWP 2014-2020. Final report to Marshal Office Podlaskie region.
[197] EACE (2021) *op. cit.*

was noted. This was the case in the Epirus non-SUD ITI. According to interviewed programme authorities and strategy-holders, after the lengthy process of developing the ITI strategy and its approval by the MA, a list of operations to be supported was fixed, making implementation faster and easing the burden in terms of appraisal and selection of projects. The experiences of an interviewed CLLD applicant in Požitavie-Širočina (Slovakia) provides another example. The applicant had previously had four mainstream applications to EAFRD rejected and found the process excessively bureaucratic and lacking transparency. In contrast, he was contacted directly by the LAG about the funding opportunities offered by CLLD and was provided with comprehensive services during the preparatory and implementation phase. This built the beneficiary's own knowledge and capacity to access EU funds: after the positive outcome of his LAG funding application, the beneficiary managed to apply successfully for two EAFRD projects as well. Similarly, beneficiaries in Hradec-Pardubice noted the value of good cooperation between applicants, IB and MAs in efficient implementation.

Analysis of data at MS level shows a general picture of improving financial performance of TDMs but with some variation. Implementation progress for TDMs by the end of 2023 was close to or higher than, financial implementation of mainstream CP funding in most MS. However, it should be noted that some MS continued to experience difficulties later in the 2014-20 period (see Figure 23). Persistent obstacles in TDM implementation related specific issues with the type of measures being implemented or challenges in coordinating TDM management and implementation systems. In Ireland, for example, SUD PrAx supporting multimodal urban mobility in designated urban centres and revitalisation of the urban environment have experienced problems related to public procurement delays.[198] In Greece, evaluation studies of SUD and non-SUD ITI and CLLDs have highlighted very lengthy implementation delays and slow absorption of funds because of the many actors involved and the absence of regional networks to support coordination.[199]

Figure 23: The share of spent allocations under TDMs and mainstream funding (% as compared to decided allocations by the end 2023)



Source: Cohesion Open Data, 2014-20 categorisation dataset (2023). Available at: https://cohesiondata.ec.europa.eu/2014-2020-Categorisation/ESIF-2014-2020-categorisation-ERDF-ESF-CF-planned-/3kkx-ekfq

Is there any potential for simplification and burden reduction?

[198] Ferry M and Kah S (2022) Embedding the Urban Dimension in Cohesion Policy, IQ-Net Thematic Paper 50(2), European Policies Research Centre Delft.
[199] Ministry of Development (2020) Evaluation of the implementation of spatial tools in Greece in 2014-2020, 2nd, 3rd and 4th delivery.

Regulatory reforms were introduced for the 2021-27 period to increase flexibility and respond to implementation challenges:

- Whereas in the 2014-20 period, different sets of rules applied for ITI under SUD (ERDF Article 7) and ITIs for other territorial strategies, in 2021-27 a coherent set of minimum requirements are in place for all territorial tools defined in the CPR (relating to the design and content of territorial strategies and the duties of local/territorial bodies).

- In the new period, there is no need to repeat the (frequently burdensome) designation process if the same body is involved and there is no requirement to have an IB for the minimum scope of delegated responsibilities.

- The minimum urban earmarking of ERDF has been increased from 5% to 8% at national level (Article 11 of ERDF/CF Regulation) but more flexibility has been introduced as CLLD in urban areas and nationally-designed TDMs can contribute to this as long as they meet the minimum regulatory requirements: demarcation of geographical area; identification of territory-specific needs and potentials; integrated approach; involvement of territorial partners (Art. 29 CPR).

However, there is further scope for simplification and burden reduction (see Section **Erreur ! Source du renvoi introuvable.**).

5.3. Coherence

The majority of territorial strategies sought coherence with other domestic and EU strategies, plans or funding programmes.

The pursuit of coherence in the process of strategy building, and the participation of local stakeholders in the development of multiple strategies, including TDMs, aligned priorities, enhanced responsiveness to local needs and consolidated local ownership.

Strengthened coherence enabled complementarities and synergies between territorial strategies and other regional and local strategies and plans, including the leverage of financial resources and the integration of management and implementation systems.

Nevertheless, efforts to increase strategic coherence were conditioned by the varied quality and availability of other strategic frameworks across territorial contexts and challenged by tensions in aligning TDM priorities with the scope of eligible funding available in other EU and domestic instruments.

According to the Better Regulation Guidelines (2017), the evaluation of interventions' coherence involves looking at how well or not different actions work together, including the assessment of both internal and external coherence of intervention.

To what extent was ERDF/CF support provided within the context of integrated territorial instruments coherent and coordinated with other EU as well as national interventions having similar objectives (overlaps, complementarities)?

Substantial efforts were made to achieve coherence between the territorial strategies and other EU or domestic regional and local initiatives (see Section 4.2.2)**.** A basic aim of place-based policies is to leverage complementarities with other measures operating in specific territories and this was reflected in substantial efforts to pursue coherence between the territorial strategies and other EU or domestic regional and local instruments strategies. Coherence was necessary to enhance responsiveness

to local needs and priorities identified in other initiatives: TDM strategies often derived their analytical sections from existing strategic documents and included coherence checks in the drafting process. Moreover, TDMs had to link their operations to the objectives of national and regional CP programmes from which the funds derived**.**

Case study research identified these efforts across TDM types, with variation in linkages to external interventions according to specific territorial contexts. Coherence with national, regional and urban development strategies was prominent in SUD ITI and SUD PrAx strategies. National development strategies, including urban and regional development strategies provided key frames of reference. Linkages with national urban policy strategies were especially important though not all countries covered had these in place. In Poland, the integration of SUD ITI strategies into multi-level EU and domestic strategic frameworks was particularly clear (see Box 20). Links to Regional Innovation Strategies and Smart Specialisation Strategies were pursued in several of the selected strategies, including through the use of existing RIS3 innovation platforms to discuss innovation priorities in the TDM strategy (e.g. Hradec-Pardubice SUD ITI).

Box 20: SUD ITI integration into multi-level strategic frameworks in Poland

In Poland, national strategic frameworks set out the rationale and territorial scope of SUD ITI strategies. The National Regional Development Strategy demarcated FUAs as strategic intervention areas (SIA) with the highest capacity to create economic growth as the main recipients of CP. The geographical and planning dimension to SIA were set out in the National Spatial Development Concept, based on detailed criteria. The position of the cities and their functional areas was further consolidated with the adoption of the National Urban Policy in 2015. These national initiatives set the framework for SUD ITI coverage. Regional and local development strategies were also important frames of reference for drafting SUD ITI strategies, especially in more decentralised contexts such as Poland. The most important document for the SUD ITI in Lublin at the regional level was the Lubelskie Regional Development Strategy 2014-20. This identified Lublin metropolitan area as a Strategic Intervention Area, prioritising the metropolitan functions of Lublin. This also became the main strategic priority of the SUD ITI.

Source: own elaboration based on case study research.

For non-SUD ITIs covered in the case study research, the pursuit of coherence with higher level strategies reflected their geographical scope and thematic orientation. ITI Danube Delta and ITI Utena strategies both addressed their National Reform Plan and National Progress Programme respectively while being aligned with the Europe 2020 Strategy, and the Territorial Agenda 2020. Similarly, Azul ITI was anchored in Spain's Atlantic Strategy, developed together with the DG MARE to enhance and promote the development of the Atlantic territories, Mar Menor ITI was integrated into the Coastal Zone Management Plan of Mar Menor.

Distinctive in the case of rural CLLD, was the scope for LAGs to use their experience from designing strategic frameworks for LEADER in earlier programme periods and draw on a wide range of strategies across territorial levels and sectors. Previous research has illustrated how coherence between the actions supported by LEADER (via EAFRD) and those supported by CP was pursued via the use of integration mechanisms such as joint management bodies and coordination frameworks. This varied from coordination platforms that integrated ERDF implementation arrangements into rural development governance (e.g. in Slovenia) and a joint regional IB and project implementation rules for both EAFRD and ERDF (Tyrol in Austria) to a joint national MA overseeing all OPs contributing to CLLD (in Sweden). [200]

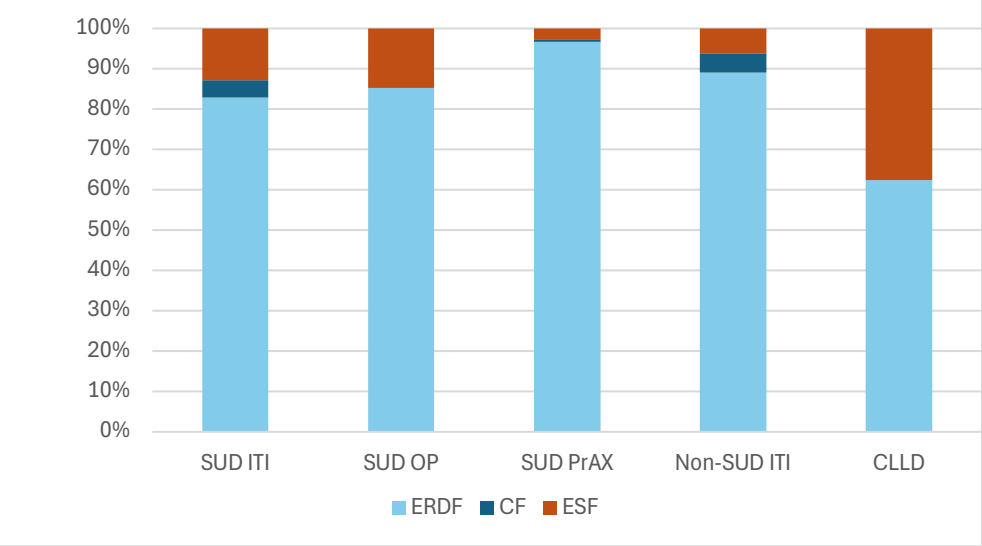
[200] Kah S (2023) *op. cit.*

Although TDMs have demonstrated substantial external coherence, the research highlighted challenges and obstacles. As TDMs were being drafted and implementation systems put in place, there was variation across MS and territories in terms of the availability of other strategies and programmes to draw on. In some cases, timing issues undermined efforts to strengthen coherence between TDM strategies and domestic measures. In particular, there were tensions in aligning the often broader range of priorities identified in the territorial strategies with the scope of eligible funding available in programmes (e.g. taking into account the focus on low carbon measures through the principle of thematic concentration).

To what extent did the combination of different EU funds within one integrated territorial instrument help ensure better coherence and synergies?

Integration of EU funds, especially ERDF and ESF was realised only to a limited extent only mainly at the level of strategies rather than operations. ESF funding was only integrated with ERDF to a limited extent in TDMs (with the exception of CLLD), accounting for around 8% of all eligible funding except for CLLD (Figure 24). Case study research highlighted the factors causing this limited uptake of ESF in TDMs: combining Funds was not compulsory and the regulatory and administrative complexity of pooling or mixing resources from different Funds was a disincentive for programme authorities (see Section 4.3.2).

Figure 24: Share of ERDF, ESF and CF in total CP by TDM (contracted funding by end of 2022, %).



Source: Cohesion Open Data.

In terms of eligible finding allocated to TDM operations by the end of 2022:

- ESF funding accounted for around 13% of funding under SUD ITI. Seven MS used ESF in their SUD ITI but Poland accounted for a substantial majority of this, responsible for around 87% of the total ESF funding allocated to SUD ITI operations.

- Under SUD PrAx, almost all funding allocated was from ERDF. Only four MS used ESF funding (BE, DE, HU and IT) and this represented only 2% of total funding allocated under this TDM type.

- Two of the four SUD OPs (Czechia and Italy) were multi-fund, including ESF and ERDF worth a combined share of 5% of total allocated CP.

- Of the 12 MS using non-SUD ITI, 7 included ESF funding (BE, EL, IT, LT, PT, RO, ES). In the ESF share of funding allocated to operations was 5.5%.

- CLLD was an obvious exception to this limited use of ESF. Of the 16 MS using this TDM type, 11 allocated ESF funding alongside ERDF and ESF investment in operations accounted for over 37% of total CP. The uptake of ESF in CLLD reflected its prioritisation of integrated, locally developed solutions to address a wide range of local problems relating to employment, social inclusion and poverty reduction.

Multi-fund TDMs in theory should enable a more tailored set of integrated projects to be implemented 'on the ground'. However, this was the most problematic aspect of integration identified in the research. Key challenges related to regulatory differences, and the separation of management and implementation systems for different Funds within MS. The benefits of integration were much more visible at the strategy level while implementation largely proceeded through mono-funded projects. Thus, evidence of integration of different Funds (especially ERDF and ESF) at operational level was limited, undermining the scope to address complex linkages between social and economic factors in territories. There were examples in the selected strategies where innovative, strategic ideas for operations incorporating social and economic dimensions in operations could not be taken forward because of regulatory differences between the Funds or differences in ESF/ERDF management systems.

There was broad consensus across case study interviews and in the seminar discussion that integrating different CP Funds in TDMs (particularly ERDF and ESF) within operations was not feasible. There have been attempts in different MS (e.g. Finland, Sweden, Netherlands) to integrate ERDF and ESF, but this was undermined by the funds' separate regulations at EU level and different administration, structures, criteria and indicators at national and programme levels. Rather than integration at project level, programme authorities and strategy holders emphasised how strategy level integration of funds and coordination or complementarity of operations from different sources is more realistic and still provided benefits in comparison to mainstream CP. A good quality, multi-Fund TDM strategy means that any projects implemented under it should have complementarity. The strategies identify and address complex problems, but they do not necessarily need integrated project-level solutions.

5.4. Relevance

Analysis of data on the location and content of TDMs indicate their relevance to needs associated with different territorial contexts. There was variation in the use of TDMs in different types of territory, also reflected in funding allocations and coverage of fields of intervention.

The 'territorialisation' of CP through TDMs increased their relevance at the local level. The involvement of local stakeholders in the design of project calls and in the development of supported initiatives increased responsiveness to specific needs.

Across TDMs, strategy holders and beneficiaries noted the potential of TDMs to respond to the most relevant territorial needs. The process of setting up a new strategic territorial framework as part of the instrument was particularly effective in developing a comprehensive response to local problems, especially in FUAs.

However, it was challenging for TDM strategies and projects to combine relevance to the territory with relevance to the OPs. This tension stemmed from the need for TDMs to contribute to the indicators and targets of designated priorities and measures targeted in the OPs, which did not always match closely the priorities identified through bottom-up processes at the local level.

Challenges in ensuring relevance also related to the territorial coverage of TDM strategies. Reconciling differences between territorial actors on the perceptions of the most relevant needs (and thus the location of projects) was sometimes difficult in larger territories with internal disparities.

As defined in Better Regulation Guidelines and Toolbox, relevance looks at the relationship between the needs and problems at the time of introducing the intervention and during its implementation.

To what extent did the ERDF/CF investments carried out within the context of the integrated territorial instruments correspond to the objectives of the underlying strategies, EU objectives as well national/regional territorial policy objectives?

To what extent have integrated territorial instruments contributed to address the difficulties and challenges of specific territories (e.g. urban areas, rural areas, mountainous areas, islands, sparsely populated areas)?

Analysis of data on the location and content of TDMs across MS revealed patterns that suggest TDM responsiveness to needs associated with different territorial contexts. TDMs were in theory able to include a broad range of interventions to address a wide variety of territorial needs and potentials (see Table 29). This produced a very complex set of potential relationships between place-specific needs and TDM responses. Nevertheless, it is possible to draw some conclusions based on general patterns identified in data analysis and qualitative insights from qualitative research (covering primary and secondary sources).

Table 29: Distribution of TDMs across territorial categories

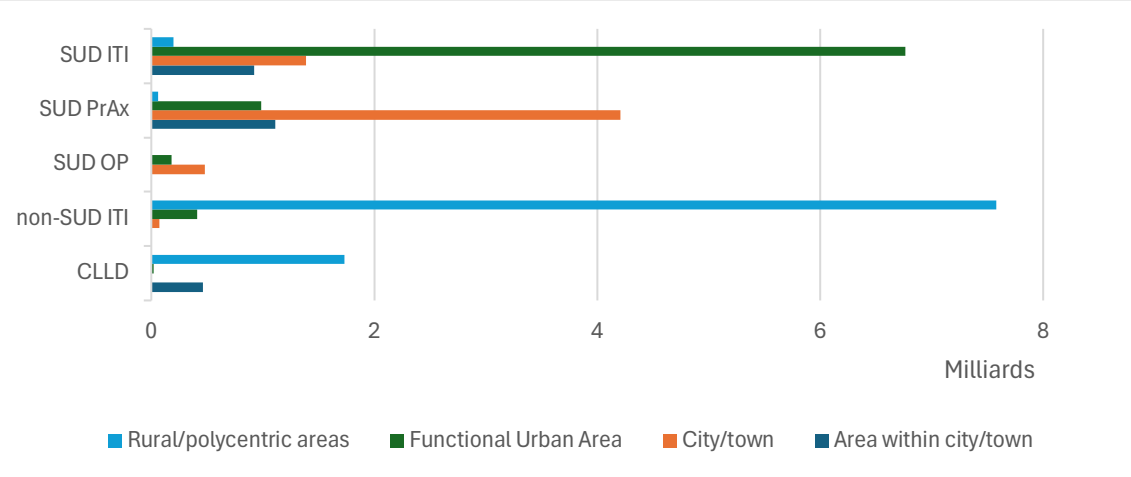
	Area within city/town	City/ town	Functional Urban Area	Rural/ polycentric areas	Total
SUD ITI (Art. 7)	28	49	102	45	**224**
SUD OP (Art. 7)	-	12	5		**17**
SUD PrAx (Art. 7)	178	392	195	43	**808**

Non-SUD ITI		2	7	118	**127**
CLLD	215		7	573	**795**
Total	**421**	**455**	**316**	**779**	**1,971**

Source: categorisation based on STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en

This territorial variation in the use of TDMs is also reflected in funding allocations (see Figure 25). The bulk of ESIF investments under non-SUD ITI and CLLD mechanisms was targeted towards the development of rural and polycentric areas. Most funding under SUD ITIs went to FUAs. Funding through the SUD PrAx mechanism went mostly to cities and towns.

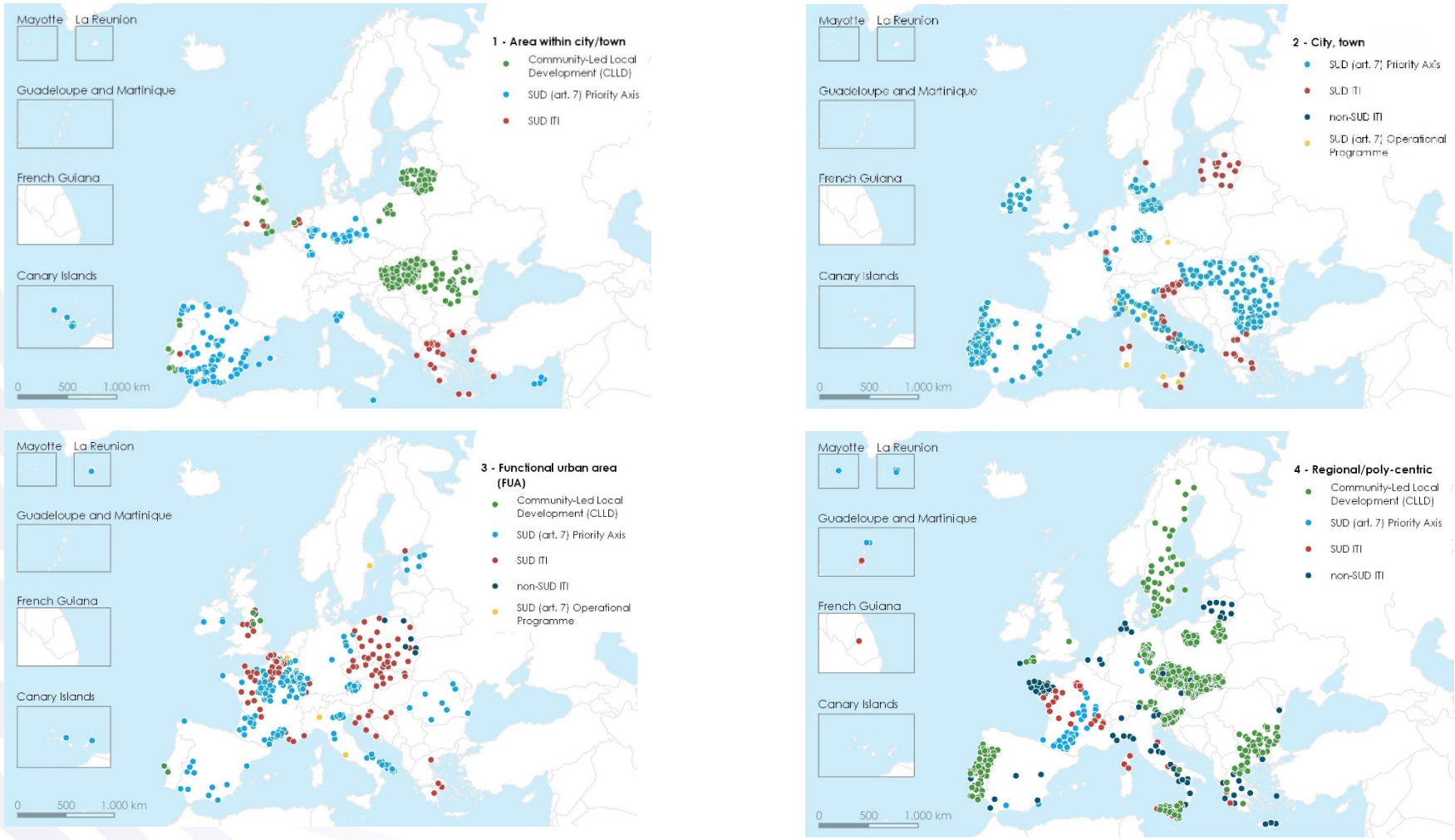
Figure 25: Total ESIF financial allocation (excluding national co-financing) to territorial strategies (€ billion)



Source: categorisation based on STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en

Patterns on use of TDM types and fields of intervention (drawn from analysis of Cohesion Open Data 2014-20 categorisation dataset) indicate their relevance to the needs of different types of territory (including some variation in MDR/LDR settings) (see Figure 26).

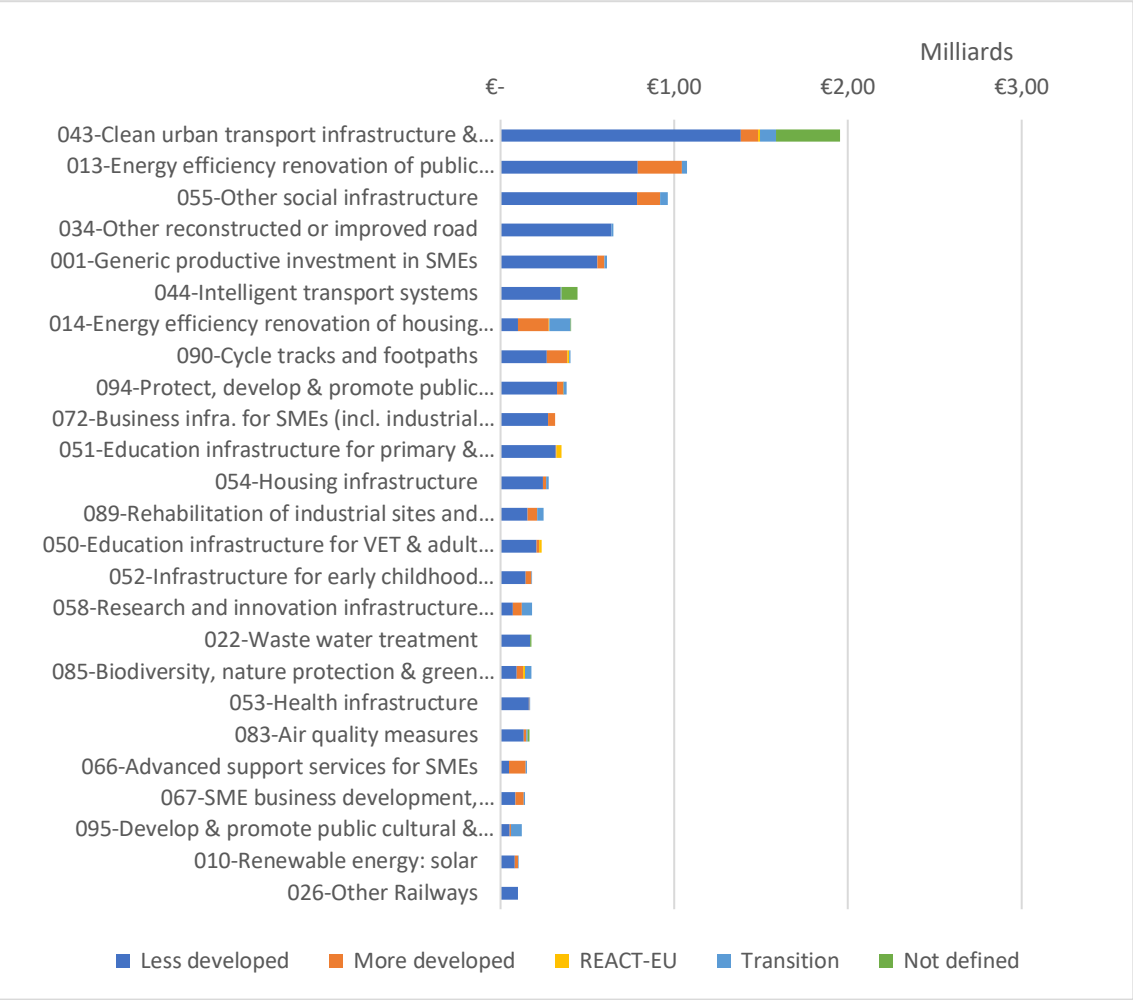
Figure 26: TDMs in different territorial settings



Note: Small number of cases categorised by authors based on own judgement.
Source: based on the revised categorisation of STRAT-Board data (JRC), 2023. Available at: https://urban.jrc.ec.europa.eu/strat-board/?lng=en

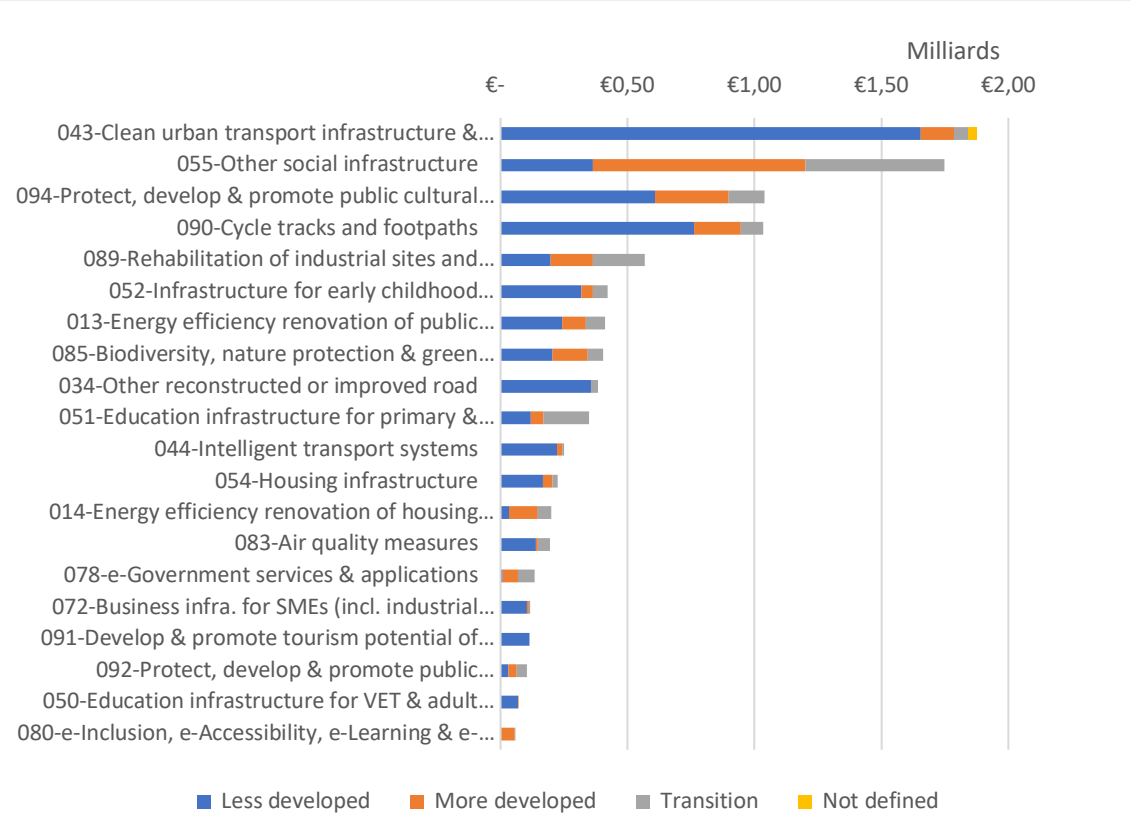
As SUD ITIs and PrAx strategies fell under Article 7 ERDF earmarking, they targeted urban areas, predominantly FUAs in the former case and cities or towns in the latter case. The thematic focus of interventions in these strategies generally reflected needs associated with these types of area (see FiguresFigure 27, Figure **28**). Most investment focused on the low-carbon agenda, including sustainable multimodal urban mobility and climate mitigation-relevant adaptation measures. In SUD strategies covering FUAs, the development of integrated cross-municipal governance capacity was a key rationale for the strategies, highlighted by interviewed programme authorities and strategy holders.

Figure 27: Fields of interventions of SUD ITI in different categories of regions



Source: Cohesion Open Data 2014-2020 categorisation dataset, reference date 31/12/2022.

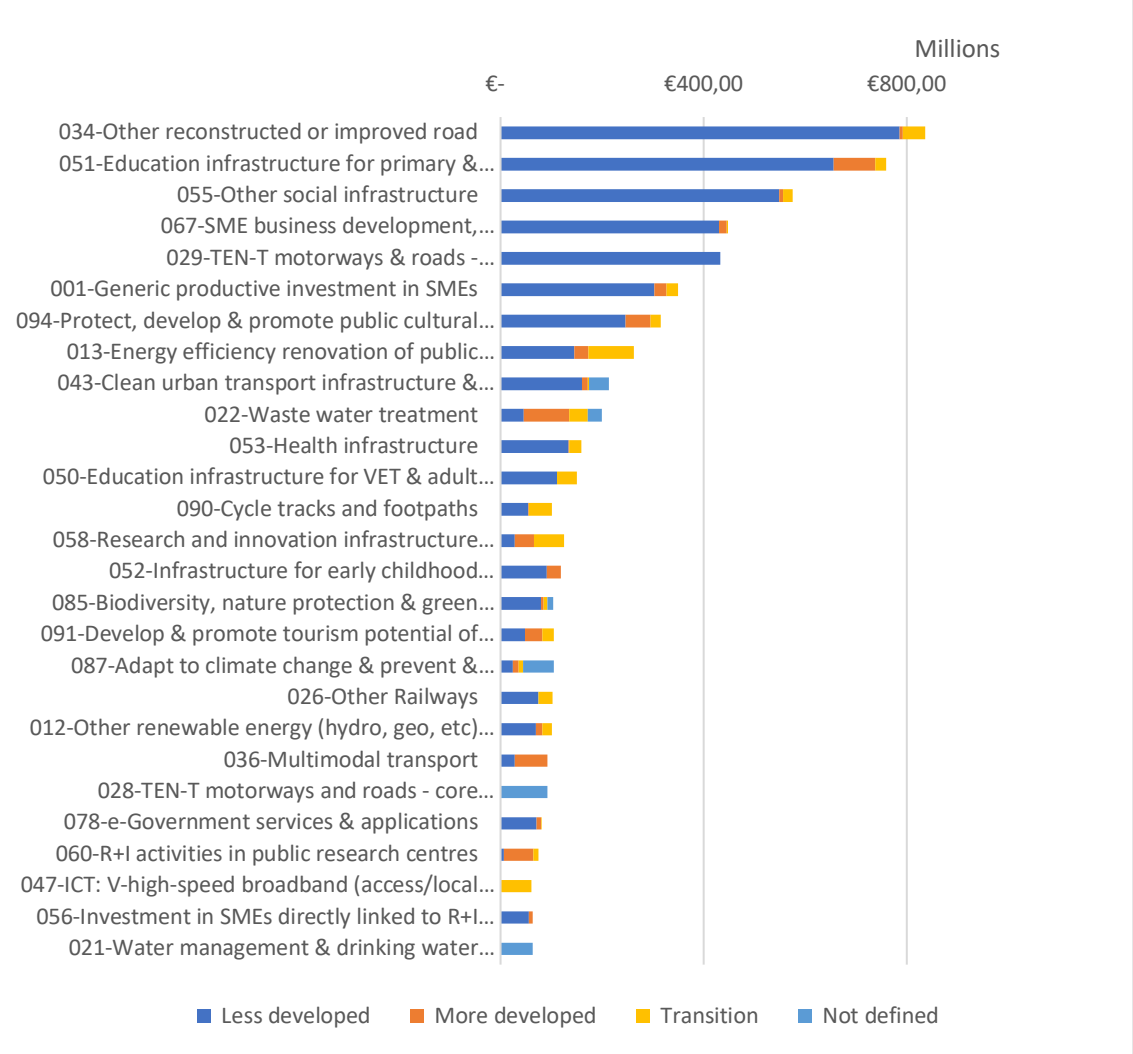
Figure 28: Fields of interventions of SUD PrAx in different categories of regions



Source: Cohesion Open Data 2014-2020 categorisation dataset, reference date 31/12/2022.

Non-SUD ITIs had more flexibility in territorial targeting and tended to be defined by functional areas in peripheral, or rural territories. The most prominent themes reflected needs and potentials commonly associated with these types of territory: improving quality of life, access to public services and social infrastructures, development of infrastructure (especially transport infrastructure). Investments under non-SUD ITI also showed variation in thematic coverage according to the MDR/LDR/Transition categorisation, indicating their responsiveness to different territorial needs. Non-SUD ITI strategies in LDR had a stronger focus on sustainable transport and removing bottlenecks in key network infrastructures, including TEN-T transport corridors (see Figure 29).

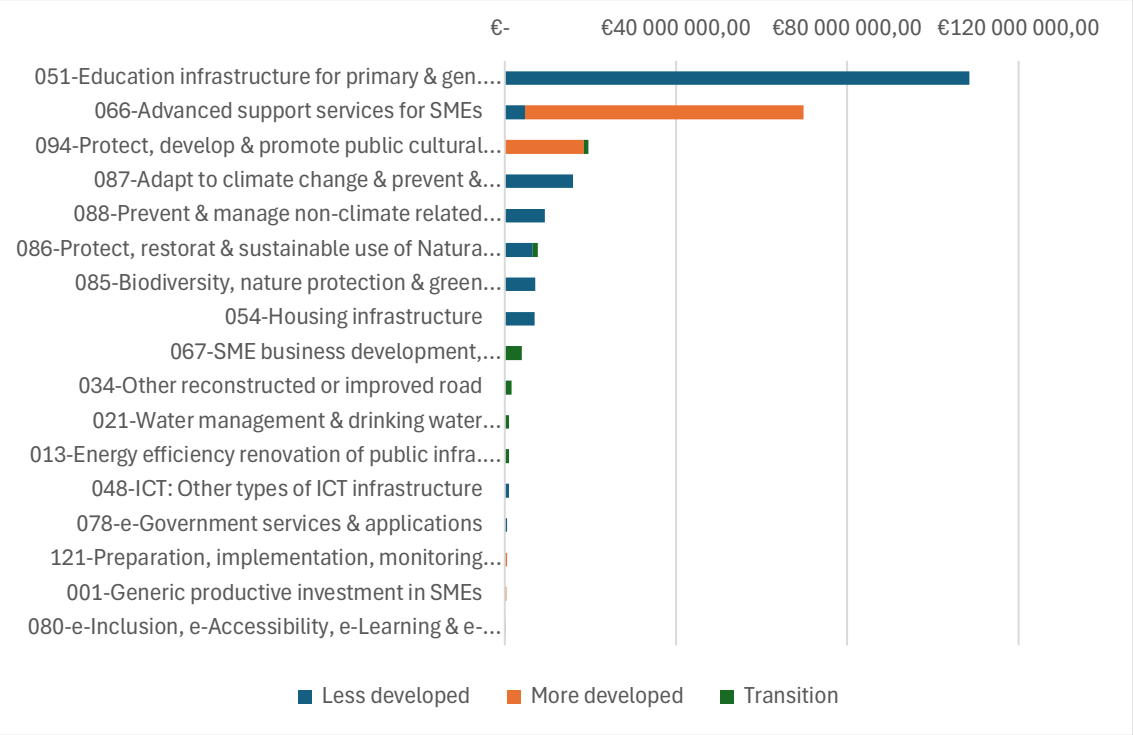
Figure 29: Fields of interventions of non-SUD ITI in different categories of regions



Source: Cohesion Open Data 2014-2020 categorisation dataset, reference date 31/12/2022.

CLLD strategies can be differentiated according to their urban/rural focus. Urban CLLDs focused predominantly on areas within cities (strategies had to cover areas with the population range 10-150,000 inhabitants as defined in the Article 33(6) of the CPR). Over double the number of CLLD strategies covered larger territories in rural or poly-centric settings. The promotion of social inclusion, fighting poverty and discrimination at community level was a prominent priority. However, again there was some differentiation in the intervention fields targeted across MDR and LDR territories. One of the key intervention fields targeted by CLLD in LDR was education infrastructure for primary and general education while CLLD in MDR showed a stronger focus on actions related to ICT and business support (see Figure 30).

Figure 30: Fields of interventions of CLLD in different categories of regions (except field 097)



Source: Cohesion Open Data 2014-2020 categorisation dataset, reference date 31/12/2022.

Qualitative insights from a review of secondary sources support the finding that TDMs have supported measures relevant to the needs of territorial stakeholders and communities. The reviewed literature confirmed the value attached by strategy holders and beneficiaries to TDM coverage of their specific local needs.

In the case of SUD ITI, evaluations (e.g. in PL) indicated that the process of setting up a new strategic territorial framework as part of the instrument was particularly effective in 'territorialising' development policy and developing a comprehensive response to local problems, especially in FUAs.[201]

In areas using non-SUD ITI, benefits were principally observed in the articulation of actors' views on the ground.[202] In PT, for instance, 95% of the intermunicipal community and metropolitan area bodies responding to a survey considered the TDM to have made a positive contribution in bringing EU funding opportunities closer to local beneficiaries and 85% referred to a positive contribution in responding to the needs of the territory.

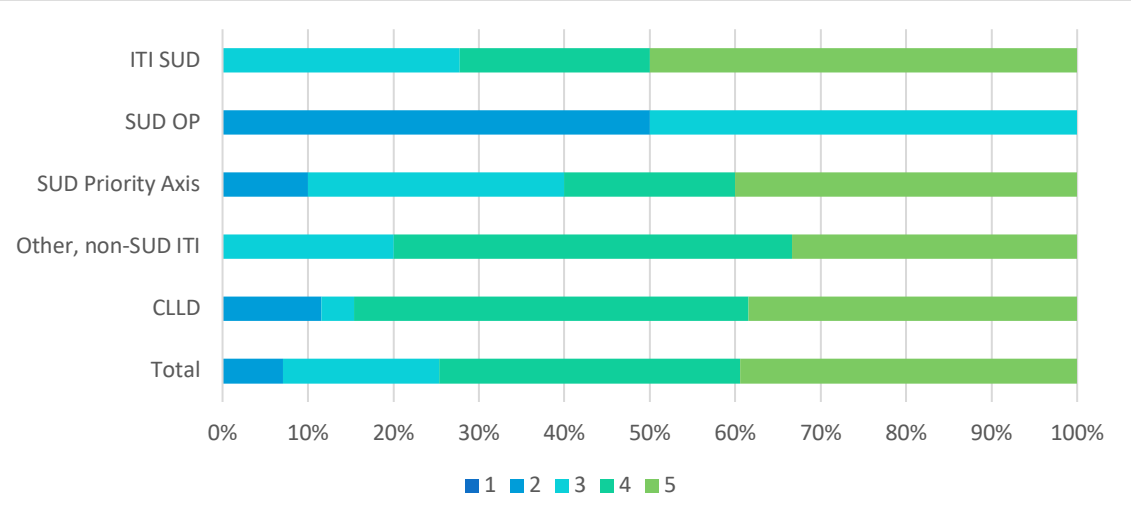
Similarly, the strong bottom-up character of CLLD, with calls for proposals developed locally and initiatives designed by LAGs and local communities ensured a guiding role of local needs and interests in the selection of projects.[203] LAGs made an important contribution in bringing CP funding closer to potential beneficiaries at the local level, to higher participation of local actors in steering investment, to the promotion of synergies between beneficiaries and to the ability to adjust actions to the needs of the territory.[204] Similar findings were noted by urban areas applying CLLD, where the strategies were

[201] Polish Ministry of Regional Development (2022) *Annual Regional Report 2021: National Strategy of Regional Development 2030.*
[202] IBD/World Bank (2020) *op. cit.*
[203] See for instance van Leeuwen C et al. (2020) *op. cit.*
[204] ISCTE (2022) *op. cit.*

often the first type of integrated strategy at such a comparatively small territorial level.[205] In Austria, the opening up of LEADER to ERDF and ESF has been instrumental in anchoring new topics in local-level development, such as climate change mitigation and adaptation, urban-rural cooperation, innovation in the energy sector and SMEs.[206]

Respondents to the survey carried out for this research confirmed insights from the literature review of the strong relevance of TDM strategies to territorial needs and potentials. A substantial majority of respondents agreed that TDMs have been effective in addressing local needs, with around 40% rating it as absolutely effective and another 35% rating it as effective. The outlier here was SUD OP, where respondents did not rate it above 3 (neutral opinion) (Figure 31).

Figure 31: To what extent have TDM(s) been effective in addressing local needs?



Note: Rating from 1 (absolutely ineffective) to 5 (absolutely effective).
Source: TDM Survey carried out by the project team, N=92.

Interviewed programme authorities and strategy-holders in all strategies selected for case study research noted the value of the territorial needs analysis in informing priorities and strengthening relevance. The process of drafting TDM strategies usually included analysis of coherence with existing strategies (see Section 4.2.1), especially local development strategies where these existed (e.g. Lublin, Rotterdam). Inputs from a range of local actors, were highlighted by territorial stakeholders leading the drafting process. The value of territorial strategies in comparison to 'mainstream' CP programmes in terms of responsiveness to local needs was highlighted by interviewed beneficiaries across TDM types (see Box 21).

Box 21: Beneficiaries perspectives on TDM responsiveness to local needs

"An important benefit of the application of the non-SUD ITI strategy was that it addressed local needs as municipalities decided themselves when setting priorities and deciding on interventions" (municipality benefiting from non-SUD ITI in Lithuania).

"*The local relevance of the project is clear, given its organic development based on local needs: young job seekers currently on benefits or short-term low-paid jobs, a relatively high share of social benefits, unemployment, and poverty indicators compared to other (urban) areas in the Netherlands, and the labour demands for companies involved in technical installation and building renovation"* (social enterprise benefiting from SUD ITI in the Netherlands).

[205] ISCTE (2022) *op. cit.*
[206] Stampfer C (2020) *op. cit.*

"*I would say that the strategy has more local relevance than other CP investment for sure. We wanted to promote a healthy lifestyle and to increase road safety and we managed to do it*" (municipality benefiting from SUD PrAx in Estonia).

"There is a better fit with needs: the projects offered by the LAG fit in and are consistent with other activities implemented by beneficiaries in the territory" (SME representative benefiting from CLLD in Poland).

Source: Case study research

However, several strategy-holders for TDMs interviewed in the research noted that challenges in reconciling territorially-defined objectives and project ideas with programme level priorities had a constraining impact on relevance. This was the case where needs linked to social inclusion, employment and skills identified in TDMs could not be followed up because they did not include support from ESF programmes (e.g. Hradec-Pardubice SUD ITI). Another challenge in ensuring local relevance was posed by EU regulatory frameworks, particularly concerning the need for programmes funded by ERDF and ESF to include thematic concentration. Especially in some MDR, the thematic concentration requirement (including a focus on low-carbon agenda) was highlighted by interviewees as an impediment to multi-sectoral integration for SUD ITI and non-SUD ITI strategies, particularly where funding envelopes were small. Limitations in the relevance of territorial strategies were also linked to the territory type. Some interviewed territorial strategy holders highlighted that the relevance of territorial strategies could be undermined by different perceptions between municipalities within FUAs on the most pressing needs, as this would have implications for the location of projects. For example, prioritising strengthened research and innovation and knowledge would tend to focus support in FUA core cities where most of the research institutions and universities are located at the expense of surrounding areas.

5.5. EU added value

There was variation across TDM types and territorial contexts in the extent to which TDMs created added value through development of new, place-based strategic frameworks. The clearest evidence of added value came from cases where TDMs covered new, functional territorial spaces, with SUD ITI strategies in FUAs prominent in this respect. Programme authorities interviewed in CLLD case studies underlined the novelty of CLLD in being informed by bottom-up inputs from communities into local development strategies.

MAs, IBs and beneficiaries across TDM types highlighted how their provision of integrated support produced added value in comparison to previous practice. This related first to the generation of strategic, territorially or thematically coordinated operations in a territory and lower competition or duplication among funding applications. Support of an administrative culture with increased awareness of potential linkages between individual projects and funding was also identified as an added value. Nevertheless, barriers to integration already highlighted in the report meant that this type of added value was not evident in all cases.

TDM implementation prompted processes of decentralisation and delegation that added value in strengthening local level participation in CP governance. However, this varied across TDM types (with SUD ITI and CLLD prominent) and according to existing levels of capacity. In territorial contexts with limited CP capacities and experience, delegation was constrained, and this reduced the scope for added value.

Implementing TDMs has had impacts beyond the strategies and operations themselves, contributing to the evolution of place-based policies in some MS. This was the case where CP funding has represented a major source of investment in regional development, where the allocation of this to TDMs was comparatively high and where processes of regional policy review or reform were underway. Use of the instruments informed regional policy frameworks and initiated lines of communication and collaboration that in some cases have broader significance for place-based policy-making.

There was some limited evidence of TDM implementation increasing CP visibility among territorial stakeholders and communities in comparison to non-integrated forms of support. However, this varied across TDM types and also depended on the types of operation supported and willingness and capacity of strategy holders to organise dedicated outreach activities.

TDMs have realised different types of EU added value through their implementation at the territorial level. The added value of CP has been reviewed extensively, and various elements have been identified and assessed. Some aspects related to quantitative effects such as reducing regional disparities and cross-national externalities are not applicable in the context of TDMs due to the limited levels of associated investment. However, other types of EU added value can be identified. These stem from the method of TDM implementation and its impact at the territorial (rather than programme) level in terms of policy-making practices and administration and greater visibility of the EU project. Achieving these types of added value is a core objective of CP.[207] Desk research and interviews with programme authorities and territorial stakeholders highlighted five areas where this type of EU added value was present:

[207] Rubio E (2020) European added value: what does it mean?, European Court of Auditors, 3/2020, 141-144.

strategic territorial planning, functionally integrated investment, local administrative capacity-building, 'spillovers' into domestic urban and local development policy systems and EU visibility (see Table 30). These benefits would not have been realised in the absence of CP. Moreover, they would not have been realised at the territorial level without the implementation of CP through these instruments. It should be noted that the achievement of added value through TDMs depended on specific territorial contexts, as outlined in the sections below.

Table 30: TDMS and EU added value

Type	Examples	Limitations
Strategic planning	SUD ITI filling 'strategic gap' in FUAs Urban CLLDs provide new local strategy Local authorities benefit from multi-annual planning of CP investment	Not applicable where TDMs based on existing strategies Limited quality of some new strategies
Functionally integrated CP investment	Investments under different fields target specific territory Investments in specific field linked across territory	Less evident where TDMs covered administrative borders rather than functional space Regulatory challenges (e.g. integrating ERDF, ESF)
Local governance of CP	Through delegation, local authorities acquire capacity in CP governance Scope to match CP investment with competences held at local levels	Delegation fullest where capacities already established Limited effects were based on existing governance arrangements (SUD OP, SUD PrAx)
Spillovers to domestic policy system	Administrative policy learning, institution building and governance at the local level Support for place-based policymaking in domestic contexts	Strongest where CP funding on TDMs high and where parallel processes of domestic policy review or reform were underway
EU visibility 'on the ground'	Drafting and launch of strategies raises local awareness Specific territorial focus of strategies and operations boosts visibility	Depends on resources of IBs, LAGs Varies according to type of investment ('softer' interventions less visible) Limited where TDM strategy subsumed in programme structure (e.g. SUD PrAX, SUD OP)

Source: Case study interviews with strategy holders and beneficiaries

To what extent would territorial objectives, challenges and local needs have been pursued and targeted in the absence of ERDF/CF support through integrated territorial instruments and to what extent has the support complemented or replaced national/regional Member State support?

5.5.1. Strategic territorial planning

TDM strategies added value by applying CP's strategic, multi-annual perspective at the territorial level. Strategic planning is recognised by MS as an area where CP implementation has created added value (ref) with the drafting and negotiation of OPs prompting a more strategic and coordinated framework for public funds allocation, based on more.[208] However, CP added value through strategic planning has at the sub-regional has been less evident as national or regional authorities have been responsible for programme design and delivery.[209] TDMs have created specific EU added value in this respect **through development of new, place-based strategic frameworks.**

The clearest evidence came from cases where TDMs filled a 'strategic gap' covering new, functional territorial spaces, with SUD ITI strategies in functional urban areas prominent in this respect. Programme authorities and strategy-holders interviewed in all of the selected SUD ITI cases noted that one of the most important benefits of implementing SUD ITI in comparison to other CP support was in tailoring investment to urban contexts. Several of the interviewed MAs noted that they would not be in a position to go into such specific local detail, recognising that although territorial targeting could be done at OP level, capturing place-based specifics would be more demanding than via an ITI strategy. In Greece previous evaluation research reflected this finding, arguing that Thessaloniki SUD ITI filled a strategic void, as previously there has been no formal development strategy for the territory (either as an urban complex or as a set of urban municipalities) that addressed the economic, social, demographic, and environmental challenges through a territorial lens.[210]

Programme authorities interviewed in CLLD case studies underlined the novelty of CLLD in being informed by bottom-up inputs from communities into local development strategies (e.g. Kujawsko-Pomorskie in Poland, Caracal in Romania). This added value was particularly strong in urban CLLDs that had no equivalent domestic local development strategy. For the MA of the regional OP in the Polish case, CLLD strategies added value in dedicating new envelopes of funding for strategies that were drafted on the basis of local knowledge.

Use of TDM strategies also created added value by introducing a multi-annual approach to CP investment at the territorial level. A recognised benefit of 'mainstream' CP is the organisation of funding in 7-year programme periods. For programme authorities this provides a stable policy environment, allowing longer-term planning, promoting a more strategic, long-term conceptualisation of regional development and providing greater stability of investments than domestic budget cycles.[211] TDMs added value by making these benefits available at the territorial level. According to interviewed territorial strategy-holders (e.g. for SUD ITI in Poland, Czechia, Croatia and Slovenia), municipalities could now take a multi-annual perspective and an opportunity to make longer-term plans. Without TDMs, CP budgeting has often been carried out in cities on a year-to-year basis through responses to project calls from

[208] Bachtler J, Mendez C and Downes R (2024) Charting a new course for Cohesion Policy after 2027, EoRPA Report 24/3, European Policies Research Centre, University of Strathclyde and EPRC Delft.
[209] Dąbrowski M (2014) EU cohesion policy, horizontal partnership and the patterns of sub-national governance: insights from Central and Eastern Europe. *European Urban and Regional Studies* 21(4): 364–383.
[210] Chatzitheodoridis F et al. (2023) *op. cit.*
[211] Polverari L, Ferry M and Bachtler J (2017) 'The Structural Funds as 'Agents of Change': New Forms of Learning and Implementation', IQ-Net Thematic Paper 40(2), European Policies Research Centre, University of Strathclyde, Glasgow.

programme authorities, precluding the development of long term, strategic investment plans for CP.

This type of added value was not evident in cases where the TDM was seen as an opportunity to continue or extend existing strategies and frameworks, although this approch supported coherence and continuity. Some case studies saw the use of TDMs as an opportunity to build on preestablished strategies and frameworks. An example is Mar Menor ITI, where the decision to push for the strategy was relatively straightforward given that it built on a pre-existing territorial strategy and existing participatory processes, within well-defined geographical boundaries. Moreover, it is important to note the aforementioned weaknesses of some TDM strategies (in terms of articulation of an intervention logic, monitoring and evaluation arrangements etc.), especially where these were new.

5.5.2. Functionally integrated CP investment

MAs, IBs and beneficiaries across TDM types highlighted how their provision of territorially integrated support produced added value. This related first to the generation of strategic, territorially coordinated operations and lower competition or duplication among funding applications compared to 'mainstream' CP. This type of added value was noted across types of TDM. In the case of Brno, the principle of integration was fundamental in establishing the SUD ITI strategy. The TDM coordinated investment of interrelated activities, which would otherwise have been carried out separately (resulting in the fragmentation of resources). Examples included integrated investment in transport and technical infrastructure and improvement of social services in a specific district. This also involved financial integration related to financing of integrated projects from priorities of different contributing programmes.[212] Programme authorities and strategy holders in the Epirus non-SUD ITI contrasted the integrated funding provided to support the development of the tourism sector in the area with the previous spatial and thematic fragmentation of ERDF funding at the expense of overall effectiveness.

Nevertheless, barriers to integration highlighted in the report meant that this type of added value was not evident in several contexts. Added value through territorial integration was less apparent where TDM strategies followed single administrative boundaries and where integration depended on the political willingness and administrative capacity of territorial authorities to cooperate. As noted across TDMs, the integrated approach faced regulatory constraints (notably in combining ESF and ERDF at operational level).

5.5.3. Local level CP governance and capacity building

To what extent was the partnership principle implemented within the specific context of the integrated territorial instruments and which benefits did it bring?

A well-established area of EU added value through CP is the strengthening of capacities within public administrations to design and implement economic development interventions.[213] **TDM implementation, by prompting processes of decentralisation and delegation, made this added value available at the territorial level (especially among local authorities).** Notably, where urban authorities previously lacked

[212] Source: Presentation Study research seminar.
[213] European Commission (2017) The Value Added of Ex ante Conditionalities in the European Structural and Investment Funds, Commission Staff Working Document, Brussels, 31.3.2017, SWD(2017) 127 final.

substantial governance tasks in regional and local development, the assumption of Article 7 IB status involved urban authorities in CP governance in a more active way than under 'mainstream' CP. According to participants in the research seminar, city authorities through this acquired strategic and technical experience of how to manage CP funding coming into the region in cooperation with programme authorities. Another benefit of decentralised or delegated TDM governance highlighted in case study interviews with local authorities was the increased scope to match CP investment with political or legal competences and jurisdictions that are often held at local levels. For instance, municipal authorities often exercise important powers in the fields of health and education and TDM governance frameworks facilitated strategic discussions on related CP investment between central, regional, and local governments regarding school and health centre locations (e.g. in Portugal).

Under CLLD, a common type of added value noted by programme authorities and LAG interviewees was the involvement of local actors in multi-level CP governance who would otherwise have struggled to play a role. For instance**,** in Troyan-Apriltsi-Ugarchin and Kujawsko-Pomorskie interviewees pointed out that CLLD governance involved municipalities and communities in a CP landscape otherwise dominated by larger, more experienced stakeholders. In Slovakia, CLLD was seen as one of only a few options for the involvement of smaller municipalities in CP funding. In Romania, the Federation of Urban LAGs has become an established partner for all MAs and was involved in all consultations regarding the development of the Partnership Agreement and programmes in 2021-27. At a national level, this has raised the prominence of issues specific to deprived areas and communities, according to LAG representatives these were not as high on the agenda in the past.

However, there were factors that limited the extent of this type of added value in some contexts. **The emphasis on continuity in management and implementation systems limited innovation in policy governance.** For SUD OPs, TDM governance mainly concerned developing existing systems rather than introducing innovative governance. OP METRO was an exceptional case as an effort to innovate in governance of development policy and planning practice, explicitly addressing the metropolitan dimension and building multi-level links between cities and national government. In this case, although the process is incomplete, the TDM has provided an incentive for building strategic capacity at sub-national levels. Similarly, added value through TDM governance under SUD PrAx was limited in comparison to some other TDMs by the use of existing OP management and implementation structures and systems. A frequent justification for the use of SUD PrAx by programme authorities was the scope to base implementation on existing management and implementation systems and structures (e.g. in comparison to SUD ITI). This supported effective management of SUD PrAx but meant that the introduction of new, innovative governance approaches was limited.

Moreover, the added value obtained through TDM delegation was most often most substantial where existing administrative capacities and governance systems were built on. Lack of CP implementation experience and administrative capacity at local level in some contexts limited delegation of tasks from programme authorities. There was, therefore, the risk of TDM implementation creating negative, unintended outcomes by perpetuating territorial disparities in administrative capacity. There were notable examples where national and programme authorities drew on Technical Assistance to provide tailored support to local authorities in TDM management and implementation, but this was not universal. Where local authorities had less CP experience, there was limited awareness of the support available from higher levels.

5.5.4. Creation of 'spillovers'

To what extent have integrated territorial instruments under Cohesion Policy led to a greater take-up of place-based policies in Member States and regions?

Implementing TDMs has had impacts beyond the strategies and operations themselves, contributing to the evolution of place-based policies in some MS. CP has been credited with providing innovative solutions to regional development that have been taken up in domestic policy thinking and practice.[214] Spillovers may occur through the pursuit of complementarities or synergies between EU and domestic policies. Parallel processes of policy development can lead to CP influencing domestic measures.[215] There is evidence of the use of TDMs prompting these types of spillovers. This was the case where CP funding represented a major source of investment in regional development (notably in Central and Eastern Europe), where the allocation of this to TDMs was comparatively high and where parallel processes of domestic regional policy review or reform were underway:

Governance-related spillovers were linked to administrative policy learning, institution building and governance at the local level. This included the establishment of new units or organisations with TDM tasks but also with a wider remit beyond CP management for strategic development in the territory. According to interviewees from Piraeus SUD ITI, the 'Piraeus Plus' Municipal Development Company was established to facilitate the strategy's implementation, and it now provides technical and administrative support to the Municipality in the implementation of broader development and investment measures. In Rijeka, implementing SUD ITI stimulated the establishment of a new Department of Strategic Planning in the city authority, representing a significant change in the city's approach to strategic development. The department is responsible for supporting EU-funded projects but also a range of other non-CP tasks including coordinating projects and activities aimed at encouraging economic development, innovation and entrepreneurship.

TDMs strengthened support for place-based policymaking in some domestic contexts. In Poland, the SUD ITI instrument is directly linked with the objectives of the National Strategy for Regional Development 2030 (notably through common identification of areas of strategic intervention). In Czechia, the ITI concept supported the launch of strategic planning via functional urban areas and has informed the Strategy of Regional Development of Czechia 2021+. The Strategy operates for the first time with functional areas instead of administrative ones. More generally, across TDM types the use of the instruments initiated lines of communication and collaboration that in some cases had broader significance for place-based policymaking. This applied to sustained links between local authorities (including their political leaders) that are strengthening territorial governance.

5.5.5. CP visibility

Have integrated territorial instruments contributed to make the EU more visible to European citizens?

There was some limited evidence of TDM implementation increasing CP visibility among territorial stakeholders and communities in comparison to non-TDM forms of support. Raising awareness of the role and achievements of CP has become a

[214] Bachtler J, Mendez C and Wishlade F (2013) EU Cohesion Policy and European Integration: The Dynamics of EU Budget and Regional Policy Reform, Aldershot, Ashgate.
[215] Budget C et al (2024) Cohesion Policy and the Single Market: The Cost of Non-Cohesion, Publications Office of the European Union. Belgium. Retrieved from https://coilink.org/20.500.12592/xgxd728 on 17 Jun 2025. COI: 20.500.12592/xgxd728.

priority in recent years this policy is a priority, demonstrating the tangible benefits of EU funding and fosters public support for the Union. In theory, the distinctive place-based organising principles of TDMs should strengthen CP visibility 'on the ground' and research included questions for programme authorities, strategy-holders and beneficiaries in order to assess the extent to which this was achieved.

TDMs had the scope to boost CP visibility 'on the ground' in a variety of ways. First, interviewees noted that the drafting of strategies involved a range of activities that raised awareness among inhabitants of the territory: surveys, questionnaires, working groups etc. These processes had previously taken place at programme level but the TDM provided the opportunity for more territorially targeted engagement. Second, the launch of strategies gave IBs the opportunity to organise dedicated promotion activities beyond those required for CP programmes (e.g. the City of Rijeka hosted 4 events, including 3 conferences and a visit from other Croatian urban authorities). Third, the specific territorial focus of strategies and operations and more direct links between IBs and urban stakeholders boosted visibility. In Rotterdam, SUD ITI brought projects closer to the neighbourhood level and SUD ITI links between urban authorities and businesses in CP Covid-19 responses raised awareness among beneficiaries further. Several LAG interviewees considered CLLD to have contributed to a higher visibility of EU and CP in local communities. According to LAG Harz, this was evidenced by good media coverage of projects and of CLLD in general. In Caracal, the EU become more visible in the marginalised areas targeted by the strategy, where people previously had no awareness of EU funding or support mechanisms. Thus, TDMs could strengthen visibility not only by telling the CP story local but by involving local inhabitants in making the story", a challenge highlighted in previous CP consultations.[216]

Nevertheless, the challenges in increasing CP visibility through TDMs were recognised by programme authorities and IBs in interviews. First, publicity activities (even very locally oriented), and more locally relevant operations did not guarantee increased visibility/perception of the EU and CP 'on the ground'. Second, due to time pressures and limited resources, visibility depended on the dynamism of IBs or LAGs. More intensive participatory mechanisms used in the drafting of strategies tended to target established local authorities themselves or experienced stakeholders rather than local communities and new actors. Third, TDM projects that were seeking to integrate 'softer' social, environmental or governance objectives often lacked local visibility compared to physical infrastructure investments associated with traditional CP urban investment (a finding that reflects other research on CP visibility).[217] Finally, for SUD PrAx and SUD OP, the subsuming of the strategy within a programme structure risked limiting the visibility of support as a distinct territorial development initiative. This was exacerbated in some cases by the tendency to see communication and information arrangements along the same lines as other programme priorities rather than as distinctive for the strategy.

6. Conclusions and lessons learned

Overall, this study has produced evidence of TDMs providing a valuable place-based solution for CP, highlighted since the publication in 2009 of the Barca Report as crucial if the policy is to address social and economic processes that have variegated

[216] Centre for Cross Border Studies (2018) Position Paper on European Union Cohesion Policy.
[217] Dąbrowski M, Spaans M, Fernandez-Maldonado A M and Rocco R (2020) Cohesion Policy and the citizens' perceptions of the EU: the role of communication and implementation. European Planning Studies, 29(5), 827–843. https://doi.org/10.1080/09654313.2020.1805413

territorial impacts. The 9th Cohesion Report similarly recognised how the risk of deepening 'development traps' for some territories requires an individual diagnosis based on dedicated analyses that identifies various interlinked factors, and subsequent tailored policy responses, through a targeted set of investments.[218] TDMs fit these requirements in offering the opportunity to deliver tailored CP investment to complex, place-specific challenges and by giving local authorities and their local partners a more substantial role and stake in the process. The value of this to CP practitioners was demonstrated in the uptake and implementation of TDMs. In the 2014-20 programming period, TDMs were used in a wide range of territorial settings, and even though still a relatively limited percentage of total CP spending was involved (7%), this was considerably more than originally earmarked.

However, the transaction costs incurred by the use of TDMs that must be recognised. In order to succeed, TDMs must be based on collective action, with processes of information exchange, negotiation, assessment, implementation and enforcement shared between actors from different levels of public administration, policy fields and sectors. Commitment of time and resources is needed to overcome barriers to collective action related to administrative structures and capacities, organisational cultures and regulatory complexities. These barriers are apparent more broadly in CP management and implementation but take a specific form in the case of TDMs which look to initiate or strengthen collective action, especially at local levels. At the same time, it should be noted that some of the substantial administrative resources involved in establishing TDM structures, strategies and project pipelines were 'one off' and some transaction costs have declined over time as collaborative arrangements evolved.

How national, programme and territorial authorities responded to these potentials and costs varied, even within countries, and assessments of what worked must take into account specific territorial contexts and characteristics of different TDMs. Policymakers had important decisions to make in terms of TDM type, territorial scope, thematic content and governance arrangements, especially where these instruments represented completely novel approaches.

The following sections elaborate on these points, first by providing insights on the use of TDMs in different territorial contexts and then by drawing conclusions and lessons on their benefits and costs as CP place-based instruments, based on the study's three causality pathways.

6.1. The use of TDMs in different territorial contexts

Some broad conclusions can be drawn on the types of territorial contexts where different types of TDMs worked best. It should be noted that the constraints faced by the research, especially the heterogeneity of territorial contexts and limited data availability at strategy level, make it very challenging to link characteristics of the strategy (for instance in terms of level of funding or thematic content) to specific environments or configurations. Nevertheless, at the outset of the 2014-20 period, the Commission provided guidance on what type of territorial environments or scenarios might suit the use of a certain type of TDM.[219] Findings from the research can add to this, looking at key considerations at strategy and programme level. These insights focus particularly on administrative organisation and governance objectives covered by TDMs. The case-study findings emphasise the importance of administrative factors in explaining the effectiveness of TDMs (notably responding to the administrative costs of establishing

[218] European Commission (2024) *Ninth report on economic, social and territorial cohesion*, p.xxvii.
[219] See, for instance de Bruijn M and Zuber P (2015) *op. cit.*

TDMs and the capacity needed for their management and implementation). It should also be reiterated that the regulations set some restrictions or limitations on the territorial use of some TDMs (e.g. while a specific priority axis could count towards ERDF Article 7 allocations, CLLD could not). With these caveats in mind, some tentative conclusions can be drawn on where and under which conditions different types of TDMs could be most suitable.

6.1.1. Key conditions at territorial level

(i) Integrated Territorial Investments

A basic characteristic and potential added value of ITIs was that they facilitated the combination of multiple funds in one territorial strategy (although not all ITIs did so). This implied an important role for the local level in coordinating the strategy and associated funds and this was frequently accompanied by new or revised management structures. Often there was a requirement from higher levels of government to work at a larger functional area scale to tackle persistent local inefficiencies (related for instance to traffic congestion, processes of suburbanisation, organisation of basic services etc.).

This TDM-type incentivised local administrative capacity-building but also created transaction costs (related to the time and resources needed for local actors to gather and synthesise information on needs and potentials, to achieve consensus on collective priorities, as well as being prepared to give up some individual autonomy). These costs were higher when local capacity and a culture supporting effective multi-level governance were weak or absent. It should be noted that these costs are likely to be lower in the 2021-27 period when collaborative systems are already in place. Nevertheless, ITIs may work best in contexts where a minimum of local capacity is in place, where the allocated CP budgets are sufficiently large to justify these transaction costs and where territorial challenges demand a multi-thematic, and preferably multi-fund, approach.

Contexts that appear particularly suited for ITIs (SUD and non-SUD) include:

- Larger urban areas in LDR where some limited capacity is present to build on and CP funding constitutes an important part of overall public investment.
- Transition regions or MDR where the overall funding might be smaller but can be combined with more substantial funding from domestic or other instruments and where existing local capacity is strong enough to minimise transaction costs.
- Rural or peripheral areas with scattered settlement patterns but where there is a clear common territorial or geographical challenge that requires an integrated policy response. Here ITIs can still be a solution if there is a regional-level institution with capacity to take on the intermediate managing role. This is how some ITIs operated in more rural areas (e.g. with a regional development agency acting as IB).

(ii) SUD Priority Axis

By definition urban strategies supported by a priority axis can only use the thematic objectives of one programme and usually they are limited to two or three different themes. This makes this TDM very appropriate to support smaller and simpler strategies. According to the research, the use of SUD priority axes did not lead to as many visible policy innovations as the ITI model, but the transaction costs were lower.

- SUD Priority axis strategies are particularly suited to cities and towns in MDR where CP support makes up only a small percentage of overall investment in development. In these cases, CP mainly complements existing local, and locally funded, strategies.

- It should be noted that in the 2014-20 period this Priority Axis TDM was only available to ERDF Article 7 cities supporting SUD. A similar solution was not available for integrated rural development, but this has changed in the 2021-27 period with Policy Objective 5 that can support both urban and non-urban integrated development.

(iii) SUD OP

Cases where a city had its own OP were very rare. There was limited innovation in governance (with the notable exception of the Italian OP Metro that covered 12 metropolitan areas). For the other three SUD OPs implemented in 2014-20 continuity with programme management and implementation structures from the previous programme period was a benefit. Moreover, this was the only TDM that was at the same level as other national or regional programmes. It gave the urban authority benefits in terms of access to information and decision-making power that were not available to the other TDMs but also important and demanding management and implementation tasks.

- The extensive CP responsibilities involved in SUD OPs require a high level of capacity. The need to fulfil all functions of a MA means that this TDM type is only suitable for large cities.

(iv) CLLD

CLLD can undertake a large range of actions with the support of one or multiple funds. The specificity of the tool is the that main managing burden is with the MA and the LAG can focus on the strategy and its projects. In addition, strong stakeholder representation in the LAG is prescribed, something which is not explicitly the case in the other TDMs. In principle CLLD strategies are local, covering one or more rural communities or city neighbourhoods.

- CLLD is therefore best suited in urban or rural contexts where there is a desire to mobilise specific community groups or neighbourhoods who had previously not participated in CP design and delivery.

- It is also suited to contexts which prioritise small-scale, targeted investments that address specific local issues, including support for social cohesion.

6.1.2. Key elements at programme level

The research also provides some insights concerning arrangements at programme level to provide supportive environments for TDMs. Barriers the research identified for TDM implementation (e.g. the regulatory and organisational challenges associated with integration of funds and priorities across programmes) can to some extent be addressed at the programming stage. Programme architectures can help local authorities to design and implement integrated strategies and to deal with different European funding sources. Programme authorities can also dedicate Technical Assistance to TDM implementation. To some extent, provisions for the 2021-27 period

under Policy Objective 5 address these issues: all urban and non-urban strategies programmed under this objective can more flexibly integrate different thematic investments and use Technical Assistance when made available. Specifically:

- Multi-fund programmes (e.g. combining ERDF and ESF) where these funds are managed by a single entity, eases the coordination burden at the local level and supports ITI strategies that can, for instance, benefit from a combination of infrastructure and social investments.

- Where there is substantial funding for TDMs and a clear territorial objective at national level (e.g. support for nascent functional urban areas) a dedicated OP can be beneficial. This can facilitate multi-level governance between the MA and the local actors, ensure that priorities of the programme are well aligned with the territorial needs of the strategy areas, obstacles can be more easily spotted and addressed, and Technical Assistance can be streamlined to directly benefit the local authorities and other relevant stakeholders.

6.2. The benefits and costs of TDM use

Assessments of the benefits and costs associated with TDMs focus primarily on the distinctive process of design and implementation in terms of efforts to apply a territorial focus to CP investment, strategically integrate measures and the use of decentralised governance systems. While there is a growing body of literature on local endogenous development, understanding of how these distinctive features of place-based policy making are translated into concrete actions with measurable outcomes is still limited. Nevertheless, this study's identification of three 'causality pathways' supports comparative analysis and the generation of key conclusions and lessons learned in terms of how TDM contribution to territorial development.

6.2.1. Territorial focus

(i) Conclusions

TDMs have introduced important changes in the spatial targeting of CP investment, involving a more nuanced and place-based understanding of functional relationships. TDMs are responding to the limitations of traditional 'parcelling' of CP investment to individual municipalities measures in terms of capturing complex and constantly evolving flows of people and resources across territories. TDM strategies cover city regions or metropolitan areas that are receiving increasing attention from policymakers in order to maximise the productivity and growth potential in major cities and their hinterlands and address issues of congestion and urban sprawl. TDMs are also focussing CP support on networks of small or medium-sized towns and cities as crucial 'anchors' of territorial cohesion, particularly in less developed or peripheral regions. Finally, TDMs have also proven valuable in focusing support on specific locales or communities with particular needs or priorities.

However, there are considerable political and technical challenges in achieving benefits through TDM territoriality. EU and national regulations have in some contexts constrained the functional territorial coverage of TDMs or the use of certain types in some geographical settings. Political motivations have also led to the demarcation of TDM territories according to administrative boundaries, limiting the coverage of functional relations and sometimes producing complex, fragmented implementation systems.

(ii) Lessons learned

It is important to provide administrative and regulatory incentives for innovation in setting the territorial coverage of TDMs, making them adaptable in supporting different geographies. The JRC Handbook of Territorial and Local Development Strategies[220] makes important recommendations in this respect:

- **Combine top-down' and bottom-up inputs in the demarcation process.** The definition of the strategy boundaries can neither be exclusively made (top-down) by the upper-level authority, nor be left (bottom-up) to the local authorities. A right balance would be that the upper-level authority produces a set of context-based indicators that are in line with its strategic guidelines, and the local authorities organise themselves coherently.

- **Combine data analysis with insights from territorial stakeholders.** Delimitate the strategy area by combining data-driven and partnership-driven approaches. When policy aims at linking development needs with territorial potentials, the definition of homogenous areas for policy action usually requires a multi-criteria approach. Use spatial data on flows and interdependencies to identify suitable proposals. Make use of the partnership's tacit knowledge on spatial flows, interdependencies and governance coalitions.

- **Programme authorities have a key role in supporting strategy holders in setting territorial coverage**. MAs can facilitate the partnership's definition of the territorial focus, for example playing the role of mediators or data providers. Data and spatial analyses can be made available by supralocal bodies such as regional administrations or research organisations, including universities.

6.2.2. Strategic integration

(i) Conclusions

The added value of TDM use in strengthening strategic planning at the territorial level was undermined by the limited quality of strategies, notably the lack of a clear intervention logic. The most important rationale for the use of TDMs in specific territories should be that they are best suited to address their complex development issues. Analysis of the needs, challenges and opportunities of the territory should be a key element in establishing the intervention logic and should inform the decision to use a TDM and the choice of TDM type. However, two-thirds of respondents to the survey of MAs and territorial strategy-holders highlighted the need to fulfil EU regulatory requirements as the main rationale. This was reflected in documentary analysis and case study research where a common finding was that intervention logics and therefore the desired outcomes and added value of TDMs was not sufficiently well defined. Strategies often did not present a clear intervention logic that articulated how the use of TDMs would be translated to priorities and operations that would achieve desired outcomes for the territory.

Strategic quality also required consensus-building among policy-makers and territorial stakeholders and a willingness to overcome competing ministerial, sectoral or local investment priorities. The principle of thematic concentration required that MS focus CP spending on issues considered to have high added value (notably innovation and the

[220] Pertoldi M et al. (2022) *op. cit.*

low-carbon economy). In some cases, this constrained the integration of key themes identified in strategies through bottom-up needs analyses. Related to operational integration, it is equally important to translate these priorities into projects at a more operational level. While TDMs have extended the use of strategic projects in CP, differences between ERDF and ESF in terms of regulations, governance arrangements and target beneficiaries have been obstacles to integration 'on the ground'.

However, the value of pursuing a place-based strategy that identifies the specific needs of territories was appreciated by programme and territorial authorities. TDMs provided more opportunities than mainstream CP to address complex, interrelated needs in an integrated manner. TDMs have also ensured that CP investment is relevant for local needs, demonstrated with a distribution of priorities clearly distinct from non-TDM funding and a correlation between type of TDM and territorial stetting. This relevance was also reflected in TDM strategies that have set an integrated framework for pursuing different combinations of priorities: green transition alongside urban mobility; revitalisation of areas alongside social inclusion, wellbeing and fairness in the context of rising inequalities within territories etc. The use of TDMs has also boosted efforts to make funding more complementary and coherent, an increasingly important priority for CP. TDM strategies have drawn support from different OPs. Their drafting often drew on a range of existing strategic documents, and they established links with other instruments, notably regional innovation and smart specialisation strategies.

(ii) Lessons learned

TDMs should operate on the basis of clear logics of intervention to improve the quality of territorial strategies and make explicit the added value of using the instrument. The research has shown that programme managers consciously select TDMs with an underlying logic in mind. However, this is usually not made explicit. It is important that strategies make the rationale for their use and their strategic development ideas and principles visible, outlining realistic decisions and commitments for implementation. Future guidelines and templates for TDMs could consider defining compulsory logics of intervention. This would support the translation of strategic priorities to integrated operations and also facilitate measuring performance.

TDMs require monitoring and evaluation frameworks that allow their achievements to be captured. EU-level common output indicators or programme level indicators were too generic to capture strategy level effects. Monitoring systems and output and result indicators should relate directly to the objectives of the local or territorial development strategy, its intervention logic, territorial coverage and priorities, potentially adapting existing monitoring systems and data sources. Monitoring and evaluation of TDMs should also go beyond quantitative indicators and take into consideration the longer timeframes in which TDM impacts tend to manifest itself. At EU- level an effort should be made to have common output and result indicators that reflect the most commonly used objectives of TDMs.

There is a need to further incentivise efforts to deliver integrated territorial investments through TDMs, both for the MA and the territorial actors. In the 2014-20 period, one of the most powerful impulses for use of TDMs was obligatory ERDF earmarking for sustainable urban development, while the actual implementation was hindered by the non-integrated nature of the regulations. In the 2021-27 period some streamlining in the regulation of TDM characteristics has taken place. However, practical and strategic integration at fund level have arguably become more challenging with the exclusion of the EAFRD from the Common Provisions Regulation and the discontinuation

of the Common Strategic Framework. Thus, an important lesson concerns the need to break down barriers to integration. This could be achieved through:

- addressing the non-integrated nature of the different EU funds and their regulations. Funds could be merged into one fund for regional development (ERDF, ESF, EAFRD, EMFF), or have at least the same common regulation;
- encouraging multi-fund OPs at regional and national level to streamline coordination;
- ensuring that MAs make available technical assistance for TDMs to support the design and implementation of integrated strategies;
- for territorial stakeholders, participation in integrated territorial development through TDMs could be further incentivised in financial terms by offering higher co-financing rates for integrated projects (to compensate for the additional efforts required), or a right to a percentage of technical assistance to support capacity development;
- regulatory incentives could include waiving the thematic concentration requirement for TDMs and a less stringent thematic concentration at programme level for programmes that support TDMs.

Coordination and coherence between TDMs and related domestic and EU-funded instruments should be further encouraged. Explicit linkages between TDM strategies and other instruments have clear benefits in identifying territorial needs, informing the generation of complementarities and synergies in the selection of operations and building networks of stakeholders from different instruments within territories. In particular, a clear reference to spatial planning strategies in the regulation could facilitate linkages and coherence between these explicitly territorial frameworks.

Thematic integration requires revised regulatory and administrative systems that can more easily cross Fund-specific administrative barriers. The potential of thematic integration has not been fulfilled yet, particularly at the level of operations despite it being one of the key added values of TDMs. There is a need to reconcile CP administrative and regulatory frameworks with flexibility and autonomy at the local level. This emphasises the minimisation of EU level regulations (e.g. the separation of ERDF and ESF reporting systems) and MS level programme architectures (complex configurations of national and regional programmes and authorities) that impede the delivery of integrated territorial support. Local and regional communities should have the regulatory and administrative space to shape these instruments. Compulsory integration could be an option, but only if the framework conditions are simple enough to not result in additional administrative complexity for programme managers.

Programme authorities and TDM strategy holders must find a balance between high-level and local priorities that does not limit integration. Thematic concentration requirements, e.g. of ERDF funding, can limit the scope of thematic integration in TDMs. This particularly discourages MDR, where, after fulfilling thematic concentration obligations, funding is very limited and using it for TDMs can result in fragmented budgets that would make their use inefficient.

Selection criteria for operations must link directly to the objectives of the strategy and incentivise integrated operations. TDMs have used competitive and non-competitive modes to generate and select operations**.** There is evidence that non-competitive modes allow time to generate strategic, integrated operations but risk undermining the motivation of beneficiaries when allocations are set and require ‘front loaded’ commitments of time and resources from MAs, IBs and beneficiaries. The design of project pipelines should be informed by specific TDM contexts (existing capacities, the level of associated funding etc.) but it is important for programme authorities and strategy

holders to define adequate project eligibility and selection criteria as these decide how well projects link to the strategy and how integrated and interlinked they are.

6.2.3. Innovation in governance

(i) Conclusions

Specific characteristics of TDM management and implementation systems have added value by adapting and improving CP governance, especially at the local level. The incentives TDMs offer to local authorities to move from 'policy takers' to 'policy makers' are evident, prompting the strengthening of existing CP governance structures at the local level or the creation of new organisations (secretariats, associations of local authorities, steering groups etc.) which in some contexts have built capacity beyond CP management. A more participatory and cooperative culture was incentivised, for instance between core city municipalities and surrounding areas, addressing traditional fragmentation and rivalry in accessing CP. TDMs have also been a source of innovation in implementation processes. Beneficiary municipalities have been challenged to develop and approve strategic projects that group objectives impacting on several of them at once.

However, while this added value is evident in many cases, there was also the risk of a 'capacity paradox'. Authorities that were already well equipped could take advantage of the new opportunities offered by TDMs, thereby increasing the gap between them and other territories with less administrative resources and experience. The abovementioned weaknesses in TDM intervention logics meant that administrative capacity and governance weaknesses and capacity-building priorities were often not articulated. This in turn meant that TDMs did not always target the places where their benefits in terms capacity-building were most needed. There is a wide range of frameworks available, within CP and beyond, such European Urban Initiative (EUI), URBACT, peer-to-peer exchange etc.

One aspect of innovation in governance is involvement of the local population. While the research showed results in terms of mobilising municipalities and local leaders, engagement with local communities and citizens has been more challenging. TDMs offer the opportunity for policy to operate closer to citizens. The research has identified evidence of this, but often where there have been regulatory requirements to do so. There is scope to consider new ways to incentivise citizen participation and to mobilise those groups most affected by the policies.

(ii) Lessons learned

The current 'menu' of TDMs could be streamlined. Offering a selection of different TDMs that then operate in parallel, as defined in the regulations, allows MS to choose the most appropriate solutions for their context, but these distinctions create unnecessary complications, e.g. for programming, monitoring and communication and visibility. The latter point is particularly relevant in the light of the potential benefits of tools operating 'closer to citizens'. In the 2021-27 period, differentiation between TDM types has been reduced (through softening of IB requirements under Article 7, encouraging CLLD in an urban context, scope for MS to propose own models etc.), but an option could be to only define one or two types for all funds and to keep these flexible enough to be adjusted into different MS contexts. For instance, Territorial Just Transition Plans share many of the organising principles of TDMs and the Just Transition Fund could be included under this heading (avoiding duplication or overlap). Regulations for

such a tool could define the basic elements the literature describes as crucial for successful integrated territorial development: evidence base, territorial focus, strategic dimension (intervention logic), cross-sectoral integration, governance, and monitoring arrangements.

ITIs and CLLD appear to have the greatest potential for added value and therefore the use of these TDMs should be encouraged. Both of these TDM types were newly introduced in 2014-20 and their characteristics made them genuine policy innovations in CP, e.g. in terms of integration (territorially and/or spatially) or governance (delegation, participation). SUD OPs and, to lesser extent, SUD PrAx, did not require significant changes to established models and instead turned out to be a somewhat administrative exercise in reorganisation funding to comply with regulatory requirements such as the Article 7 ERDF earmarking.

It is important for national and programme authorities to consider proportionality. The chosen approach to implementing TDMs should be proportionate to the amount of funding available and existing experience and competences at different administrative levels. An approach that addresses the key issues in a given territory is needed to avoid fragmentation, duplication and complex implementation (issues that were particularly noticeable where smaller municipalities were strategy holders).

There should be increased emphasis on capacity building for the territories that need it most. The research has noted how administrative weaknesses in some territories produced narrow delegation models that have focused on basic compliance rather than innovation in governance. This created the risk of better equipped territorial administrations being better positioned to gain more added value through TDM governance, potentially reinforcing asymmetries in capacity across local administrations. There are substantial resources for capacity-building across EU, national and sub-national levels but these should be tailored to support specific types of capacity in specific territories.

- **EU institutions have a key role to play in supporting TDMs and giving the territorial agenda appropriate visibility and status.** This includes through agenda-setting, ensuring that the place-based policy approach is given priority on political and policy agendas. EU institutions also have a role to play in data gathering and analysis to provide understanding and insights into what is needed and what works. DG REGIO and the Joint Research Centre have already produced the STRAT-Board interactive TDM mapping tool and Handbooks for practitioners to guide TDM design and delivery and further work could focus on those territorial contexts where challenges are particularly acute. Other EU-level capacity-building initiatives could also be developed further to ensure that they target the most important gaps and have sufficient visibility amongst other CP frameworks with much higher funding allocations and longer policy traditions. There is a wide range of frameworks available, within CP and beyond, such as EUI, URBACT, peer-to-peer exchange etc.

- **At MS level, national authorities must also take the lead in providing a supportive environment for TDM management and implementation.** There is a need for sustained political will and commitment at the national level to drive the institutional cooperation necessary for TDM implementation. This includes through strengthening cross-ministerial or cross-departmental links in order to reduce transaction costs for TDM strategy holders. National and programme authorities should also target capacity-building support alongside delegation of TDM tasks, for instance through strategic use of Technical Assistance budgets and the creation of national platforms for exchange of experience.

Annexes

The annexes are presented as self-standing documents accompanying this report.

Annex A: Country Fiches

Annex B: Policy Instrument Fiches

Annex C: Case studies

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